Mr. DIRKSEN. Perhaps the Senator mistakes paralysis for rigor mortis.

Mr. MANSFIELD. Mr. President, the purpose of these remarks is to serve notice on the Senate that at any time from now on, a petition for cloture may be filed.

RECESS UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 7 minutes p.m.) the Senate took a recess until tomorrow, Saturday, August 11, 1962, at 9 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 10, 1962:

NATIONAL SCIENCE FOUNDATION

Dr. Harvey Brooks, of Massachusetts, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1968, vice Julius A. Stratton.

SENATE

SATURDAY, AUGUST 11, 1962

(Legislative day of Friday, August 10, 1962)

The Senate met at 9 o'clock a.m., on the expiration of the recess, and was called to order by the Honorable LEE METCALF, a Senator from the State of Montana.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, whose rule is law, but in whom there is love that never fails and a mercy like the wideness of the sea: Thou hast given us our yesterdays, and in that record of what we have written, we have written of good or of ill. Our grateful memories of temptations resisted and victories won are secure. Our tomorrows are within Thy care, as the future lies before us.

Today is ours, fresh from Thy hands. It is sustained as in the morning we write at the top of its page "In the beginning, God." Grant us the grace to command it, to seize it, to mold it to Thy purposes, and so to number its hours that we may apply our hearts unto the wisdom that shall be as healing balm for this ailing world.

We ask it in the holy name of the One who has said: "As thy day, so shall thy strength be." Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 11, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of the calendar days of Thursday, August 9, and Friday, August 10, 1962, was dispensed with.

TIME SPENT ON CONSIDERATION OF SPACE COMMUNICATIONS BILL

Mr. MANSFIELD. Mr. President, I wish to comment on my calculations concerning the time spent by the Senate in consideration of the space communications bill. Yesterday, I noted—as is to be found on page 16121 of the RECORD—that this measure had been thoroughly studied by five committees in the Senate, and by one in the House, and had been the subject of well over 3,000 pages of testimony, which took 45 days to present. I wish to make clear, if it was not already so, that these 45 days and 3,000 pages represent a total of the time spent in both the five Senate committees and the single House committee. I may add that the total pages of hearings recited did not include those of the Foreign Relations Committee which are now available, and swell the total. I also mentioned that this measure had consumed 308 pages of the RECORD during 14 days. This figure was incorrect; actually, there had been 308 pages of debate in 12 days on the Senate floor, or 358 pages of debate in 14 days in both the House and Senate. Yesterday's proceedings raised these totals.

I make this statement in order to make sure that the RECORD is clear, and to correct a misstatement which I made yesterday.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, at this time I should like to propound a unanimous-consent request, and I do so for the purpose of allowing some of our Members who may be interested in what I am about to do to arrive on the floor: I ask unanimous consent that I may be allowed to suggest the absence of a quorum, and that the quorum call be rescinded at the end of 15 minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BUSH. Mr. President, reserving the right to object—although I shall not object—let me ask whether there is to be a morning hour.

Mr. MANSFIELD. No.

Mr. PROXMIRE. Mr. President, reserving the right to object, in order to comment on the same point, let me say I think the Senator from Connecticut and I have the same objective. I wish to speak on several matters for perhaps 4 or 5 minutes, and I believe that perhaps the Senator from Connecticut has the same purpose.

Mr. BUSH. I wish to speak briefly.

Mr. MANSFIELD. Then, Mr. President, I ask unanimous consent that there may be a morning hour for the next 15 minutes, and that at the end of that time I may be recognized.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. KEFAUVER. Mr. President, reserving the right to object——

Mr. MANSFIELD. Mr. President, I am trying to be accommodating to all Members of this body, especially those who are opposed to the pending bill. I am trying to make it possible for Senators who are on their way to the Chamber to arrive here in time. If I cannot obtain the acquiescence of the entire Senate in the latest request I have made, then I shall be forced to go ahead and just take my chances. But I hope the Senate will do what it can to bring about an accommodation for the benefit of Members who are on their way to the Chamber.

Mr. LONG of Louisiana. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. LONG of Louisiana. Let me suggest that the Senator from Montana has now made two unanimous-consent requests, and neither one has been objected to. So far as I am concerned, either one is all right.

Mr. MANSFIELD. The Senator from Louisiana is most kind; and if we can discuss this matter for 15 minutes, then I shall be prepared to make my statement—or even sooner, depending on the circumstances.

Mr. KEFAUVER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KEFAUVER. So far as I am concerned, I have no idea of objecting to the unanimous-consent request. But I believe it should be pointed out that while the Senator from Montana is making it convenient for Senators who are opposing the bill, we are trying to make it convenient for the leadership and for Senators who favor the bill.

I also wish to reserve the right to object in order to observe that the Senator from Montana has spoken of the time used for debate on the bill. I know he wishes all Members to have an opportunity to state their position. This bill is very technical, important, and complicated. I happen to know that some 4 or 5 Senators have not had a chance to speak on the bill itself, or, at least, not to the extent they want to. I had a speech of approximately 90 pages; but, because of interruptions, I got through only about 5 pages.

Mr. MANSFIELD. Then, Mr. President, I request unanimous consent that a 15-minute period be set aside, in order to permit Senators to make insertions in the RECORD and speeches not to exceed 3 minutes in length, at the end of which time I shall be given the floor.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. LAUSCHE. I should like to speak also.

Mr. MANSFIELD. I am trying to make that possible.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CASE:

S. 3634. A bill for the relief of Mrs. Angela Puccio; and

S. 3635. A bill for the relief of Antonio Credenza; to the Committee on the Judiciary.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM—AMENDMENTS

Mr. SPARKMAN submitted amendments, intended to be proposed by him, to the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. GORE (for himself and Mr. LAUSCHE) proposed an amendment to House bill 11040, supra, which was ordered to be printed.

Mr. CHURCH (for himself and Mr. LAUSCHE) submitted an amendment, intended to be proposed by them, jointly, to House bill 11040, supra, which was ordered to lie on the table and to be printed.

Mr. LONG of Louisiana submitted amendments, intended to be proposed by him, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mr. LAUSCHE submitted amendments, intended to be proposed by him, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mr. KEFAUVER submitted amendments, intended to be proposed by him, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mr. YARBOROUGH submitted amendments, intended to be proposed by him, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION OF CERTAIN HIGHWAYS—AMENDMENTS

Mr. METCALF (for himself and Mr. RANDOLPH) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, which were referred to the Committee on Public Works and ordered to be printed.

MOREHEAD PATTERSON

Mr. BUSH. Mr. President, last week I lost a good friend of more than 40 years' standing.

Morehead Patterson, chairman of the board and chief executive officer of American Machine & Foundry Co., died in his sleep Sunday morning, in Washington.

An international industrialist and public servant throughout his career, Mr. Patterson became chief executive officer of American Machine & Foundry Co. in 1943.

Himself the holder of more than a score of patents, Mr. Patterson was instrumental in the development of tobacco handling and automatic bakery equipment. He foresaw the possibilities of the American Machine & Foundry Co. automatic pinspotter, led patient efforts over many years to its perfection, and made tenpin bowling a new sport available to millions of people around the world.

Mr. Patterson successfully directed application of the company's ingeniousness to weapons production. The company helped develop radar antennas for aircraft carriers, battleships, and B–29 bombers. It recently developed ground-handling and launching equipment for the intercontinental ballistic missile programs.

Mr. Patterson was a scholarly man who, at the time of his death, was chairman of the board of trustees and a member of the executive committee of the Brookings Institution. He was a member of the advisory committee of the School of Advanced International Studies, the Johns Hopkins University.

A native of Durham, N.C., he graduated from Groton School, 1916, Yale University, B.A., 1920, Harvard Law School, LL. B., 1924. He attended Oxford in 1920.

He had been associated with American Machine & Foundry Co., since 1926. He was president of American Machine & Foundry Co. from 1941 to 1958 and had served as chairman of the board since 1943. Under his direction, the company increased its volume from some $15 million to over half a billion by 1961.

Mr. Patterson's career was marked by frequent periods of public service. He served in the Army in World War I. During World War II he was a member of the Rubber Director's Office in Washington.

In 1954, he was a member of the State Department's Public Committee on Personnel Policy, as well as Chairman of the U.S. Committee for the United Nations. In the same year he went to London as Deputy U.S. Representative on the United Nations Disarmament Commission, with the personal rank of Ambassador. Later he served as the U.S. Representative for International Atomic Energy Agency Negotiations, also with the rank of Ambassador.

He was chairman of the nuclear standards board of the American Standards Association and a vice president and member of the executive committee of the Machinery & Allied Products Institute. He was also a member of the Council on Foreign Relations and the Commerce Department's National Export Expansion Council. Recently he became a member of the Defense Department's Defense Industry Advisory Council. Also he was president of the New York Southern Society.

Mr. Patterson is survived by his widow, Margaret Tilt Patterson, a son, Herbert Parsons Patterson, his mother, Mrs. Rufus L. Patterson, a sister, Mrs. Casimir deRham, and two grandchildren.

On behalf of Mrs. Bush and myself, I take this opportunity to express to the members of his family our sincere sympathy at the loss of this very outstanding American citizen.

I wish that more American businessmen had the high sense of public duty and responsibility possessed by Morehead Patterson.

NASA PATENT POLICIES: THE NEED FOR REVISION

Mr. KUCHEL. Mr. President, the controversy over the proper policy for our Government to follow when dealing with patents—or more properly inventions—that arise out of Government-sponsored research and development continues to grow in direct proportion to the growth of Federal research and development programs.

Recently, for example, the Senate adopted the conference report and cleared for the President H.R. 11737, authorizing $3.7 billion in appropriations for the National Aeronautics and Space Administration. This agency, which is responsible for the successful conduct of our vital nonmilitary space programs, will spend almost $2.4 billion on research and development alone in fiscal 1963.

Our achievement in outer space is a matter of continuing concern to a Congress which has authorized and a nation which is supporting a far-reaching, costly, and critically important space program. How well we succeed will depend almost entirely on the results obtained from the vast research and development programs which are carried out by American private enterprise under contracts let by NASA. Unless we make optimum use of all the research resources of our country, particularly those in the private sector of our economy, these huge expenditures will be for naught.

There can be no question that the space program, as a matter of national policy, deserves the most intensive and best effort it can obtain. President Kennedy has said of it:

> This decision demands a major national commitment of scientific and technical manpower, material, and facilities, and the possibility of their diversion from other important activities where they are already thinly spread. It means a degree of dedication, organization, and discipline which have not always characterized our research and development efforts.

Congress recognized this need in the National Aeronautics and Space Act of

1958 when it imposed the requirement for "the most effective utilization of the scientific and engineering resources of the United States."

Yet the patent provisions (section 305) of that act—provisions regrettably adopted behind closed conference doors with no hearings and no debate—have been challenged from the start as deterring the full utilization of America's scientific resources as well as the determination of the American people. Indeed, to many, these provisions appear to be a reversal of the long-established constitutional provision which authorized Congress "to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

How can we continue restrictive patent provisions that run completely contrary to the constitutional incentives established almost 175 years ago and still expect American industry to divert often limited scientific resources from projects of a commercial nature to public programs which have frequently an infinitesimal return as far as their stockholders and their commercial survival are concerned? Some of the patent provisions of various statutes which have been adopted in recent years reflect a departure from American constitutional precepts. These provisions, if continued, are sure to hamper individual and corporate creativity. I am confident that my colleagues will agree with me that our Nation in its peaceful conquest of space can ill afford avoidable delays and impediments.

The patent provisions of NASA have brought into focus a highly controversial, complicated, and often emotionally charged issue: Private versus Government ownership of those inventions which result from the expenditure of public funds.

Different Federal agencies have varied views on this subject. There is no single Government-wide policy in existence today. If such a Government-wide policy would mean rigidity without regard to the circumstances of a particular case and would mean a hampering of this Nation's scientific and technological effort then perhaps it is just as well that we do not have a Government-wide policy.

Certainly many who have studied this matter over a period of time generally agree that a rigid, inflexible patent policy is not practical. However, a Government-wide uniform policy with some administrative flexibility should and could be established. There are very real and basic differences, however, between a general policy that vests title of the patent in the company and a general policy that vests title in the Government.

The concept of Government ownership of patents is a radical departure from the traditional practice of the American patent system. More has been written and said about this concept in the past few years than at any time in our history. The idea of Government ownership was inaugurated in the early days of the top-secret Manhattan atomic bomb project. This policy did serve some useful purpose at the time.

The Atomic Energy Act was fashioned by Congress based on the wartime Manhattan project experience.

When the National Aeronautics and Space Act was written in 1958, a patent section somewhat similar to that of the Atomic Energy Act was included, as I have said, behind closed doors. A special Subcommittee on Patents and Scientific Inventions of the House Committee on Science and Astronautics, has recommended on two separate occasions that this provision be changed.

After more than 3 years of intensive study and hearings, with witnesses representing a wide spectrum of belief on this issue the subcommittee concluded that:

> Present space patent policies damage small business, cost the taxpayers money, dilute the national effort to be first in space and waste the products of scientific research as a result of the reluctance to market new inventions without the necessary patent protection.

A bill to amend the patent provisions of the Space Act was reported and passed the House by a vote of 235 to 31 in the 86th Congress. The Senate failed to act on that bill.

During this Congress the House subcommittee has concentrated on the marshaling of evidence which might further tend to support a present and future need for either a title or a license approach for Government-sponsored space research.

Once again the subcommittee recommended an amendment to the patent section of the Space Act which follows the general philosophy set out by Congress in the National Science Foundation Act of 1950, but with special safeguards added to insure protection of the public interest.

When the hearings began in 1959 virtually every member of the House subcommittee was completely convinced that the equities demanded title to the Government. After hearing testimony from 70 witnesses and after full discussion all but 1 of the subcommittee members are now completely convinced that the equitable solution lies in a license policy, with such exceptions as may be appropriate, rather than in a policy of title to the Government with possible waiver.

The House Committee on Science and Astronautics has ordered the subcommittee bill, H.R. 12812, reported to the House. I would predict that the other body will once again pass the bill. This legislation seeks to revise the Space Act to provide needed flexibility with respect to the current patent restrictions on NASA. The bill would give the NASA Administrator the option of securing a royalty-free license or a greater right, including complete title, depending on the equities involved. For the first time, standards are set out to guide the NASA Administrator in making this determination. Several other improvements are made. These improvements are long overdue.

The Senate should have an opportunity to act on this matter during this session of Congress. I would like to see the Senate Committee on Aeronautical and Space Sciences hold hearings on such a House-passed bill.

As I have noted, considerable controversy exists regarding the existing patent policy of various Federal departments. Proponents of the title and license theories have both tended to overstate their case.

Those who favor the Government taking title claim, for example, that the public interest demands that what the Government pays for, it should own. They claim that any other policy is unfair to the taxpayer and to other contractors who would not be free to use the invention.

This argument has a superficial appeal, but it is seriously misleading. Only in rare instances does the Government bear all or even the major costs in developing inventions. The Government awards research contracts based on the experience, knowledge, and skill of a particular research and development organization. The Government takes advantage of an organizational situation which exists. It puts up money in order to translate the know-how and ideas of the contractor into knowledge useful to the Government. This is what the Government bargains for and what the taxpayer pays for. The Government should be entitled to receive in all such cases a royalty-free license to use the results arising from a Federal research contract, including any patentable inventions. The Government should be free to make use of these results by utilizing any manufacturer it chooses in accordance with existing law and procurement regulations.

It is untrue that contractors cannot make free use of inventions to which the Government holds a license. Other contractors can make free use of such inventions if the Government wishes them to do so for its own purposes.

These contractors cannot use inventions developed with funds from all the taxpayers for commercial purposes, however, without a license or without paying royalties to the inventor, depending on his equities. This has been common practice within the free enterprise system since the founding of the Nation.

Other arguments have been presented in favor of a Government title policy, including the claim that there would be a freer flow of scientific information. Under scrutiny, these arguments simply do not stand up.

The arguments of those who favor an ironclad license policy also fail to be completely convincing under all circumstances. A very large part—some 65 percent—of the research money available to private industry today comes from the Federal Government. This fact alone is sufficient reason for extra precautions to assure that the public interest is protected and served by the manner in which the fruits from research contracts are utilized.

It is obvious, too, that some firms doing research for profit exist entirely or

almost entirely on Government contracts. In still other cases, the Government has done the original research and turned its findings over to a private organization for further application and development. Where conditions such as these exist, distinctions will have to be carefully made and the relative rights of the Government and the contractor equitably determined.

Thus, in some instances, the Government will sometimes need to acquire a greater equity in an invention which arises as a result of a Federal contract than merely a free license to use it. The evidence before the House Subcommittee, however, does not show that this will occur sufficiently often to overbalance the benefits of a license approach in general.

The House bill will not satisfy the demands of extremists on either side. Those who insist on a rigid Government title policy will, in all probability, cry "Government giveaway" when anything less is proposed. On the other hand, those who insist that the Government has no right or interest in the inventions arising from Government contracts will cry "Government confiscation," when anything more is proposed.

The House bill is an excellent starting point. It is a step in the right direction of improved relations between Government and private, competitive enterprise because it starts from the license premise.

The present restrictive NASA patent provisions which were adopted in a closed conference as an afterthought, and as a hedge against space domination through the possible development of one or two unforeseen but key inventions, should be modified. I hope this Congress will be able to get on with a reasonable solution to this problem.

I personally would welcome the opportunity for free and full debate on the floor of the Senate on legislation along the lines of the House bill. The will of the Senate on this important issue should be made known. I believe the result will be a speeding up of our space effort, an elimination of cumbersome administrative procedures, and an improved relationship between Government and business which will benefit all our people.

TAX CUT NOT WARRANTED

Mr. PROXMIRE. Mr. President, on Monday night the President of the United States will speak to the Nation on fiscal and tax policy. During the past week the Joint Economic Committee has been holding hearings on the state of the economy and the wisdom or unwisdom of making a tax cut.

In the most recent issue of the New Republic, the distinguished senior Senator from Illinois [Mr. DOUGLAS], the only professional economist in the Senate, has a very thoughtful article opposing tax reduction now. In the article he says he thinks a tax cut at this time would be unwise.

He says, in the first place, we would use up ammunition which might be vitally necessary in the event of a recession, and the statistics show we are not in a recession now. In the second place, in his judgment, it might very well result in killing off all prospects of a real tax reform next year. In the third place, a tax cut might result in a huge increase in the deficit. In the fourth place, monetary ease—lower interest rates should be relied on first—before a tax cut; whereas in fact monetary restraint has actually depressed the economy and promises to be even more restrictive in the future.

I ask unanimous consent that the article by the Senator from Illinois [Mr. DOUGLAS] be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT WOULD BE WISER TO WAIT

(By Senator PAUL DOUGLAS)

Many highly placed economists, of whom Professor Benoit is one, and many business leaders are urging a tax cut now in order to avert a predicted severe recession and to get the economy moving again. If we were in a recession or if there were clear and unmistakable indications that we were about to enter one, I would strongly favor the right kind of cut, for that is the quickest way to stimulate demand and consequently production and employment. That is why in February 1958, when the reality of a recession was clear, I urged such a cut concentrated upon reducing the taxes on durable goods and building up consumer purchasing power. This recommendation was not only opposed by the Eisenhower administration but also by the leaders of my own party in the Congress.

It is certainly true that the rate of recovery in the economy has slowed down and in some sectors has come to a stop. Unemployment is still regrettably high. Orders for capital goods have dipped. But visible unemployment has not increased. It was indeed slightly lower in July (5.3 percent) than in the preceding months. I do not place too great reliance on this apparent decrease since it may have been due to the margin of error inherent in the sampling process. Certainly, also, there is a large amount of concealed unemployment consisting mainly of young people who have dropped out of school and failed to get a job and who have not become a part of the working force. But there is no evidence that unemployment or part-time employment has increased. Nor is there any turndown in industrial production. Indeed this index has gone up from 113.5 in January to 117.8 in June.

What then about the index so dear to modern economists, familiarly known as the gross national product? This amounted to an annual rate of $545 billion for the second quarter of this year or an increase of $4 billion over the figure for the first quarter and of nearly $9 billion above the last quarter of 1961. We are certainly going to fall far short of the official estimate by the Council of Economic Advisers that the GNP for calendar 1962 would be no less than $570 billion. This falling short will, in itself, create a large fiscal deficit for fiscal 1962–63, which may reach from $7 to $10 billions. Thus there will be an appreciable built-in stabilizing force which will be particularly strong during the next half year. But here again there is no evidence of any downturn. Quite the contrary. Disposable personal income at an annual rate is also up—$6 billion over the first quarter of 1962 and $9 billion over the last quarter of 1961.

The truth of the matter is that economists, like the speculators and the general public, are subject to alternate waves of excessive optimism and pessimism. Most of those who are now gloomy in August were hilariously bullish in January. The fact of the matter is that economic forecasting is in no sense an exact science and the percentage of error in such predictions is extremely high.

In economic policy, as in battle, we need to remember two basic principles. The first is not to fire on the enemy prematurely. William Prescott was quite right when he shouted to the continentals at Bunker Hill, "Don't fire until you see the whites of their eyes."

The second precept is one every officer from second lieutenant to general should know and act upon; namely, not to commit one's reserves too early. What at first seems to be a main attack often turns out to be merely a diversionary one. If a nervous commander rushes his reserves in to counter an initial skirmish, he will have nothing left to back up his line when the real attack comes. In Churchill's "Their Finest Hour," he tells how when in the early summer of 1940 the Germans broke through the French line at Sedan in the Ardennes, the French did not make the expected counterattack though the Germans had outrun their supply lines. "Where," asked Churchill of General Gamelin, the French commander, "is your strategic reserve?" To this Gamelin replied, "Aucune"—there was none. Let us not make Gamelin's mistake. For if we do not have a recession, a tax cut and resultant deficit might well amount to between $15 and $20 billion. I have sufficient Scotch blood in my veins not to welcome such a deficit as being good in itself and I think I am aware of the political consequences which would inevitably follow a deficit of this size.

And if even after such a cut a recession or depression were to follow, what would we have in reserve?

Finally, a tax cut now would inevitably make tax reform next year impossible. Our tax system is shot full of loopholes and injustices which enable certain groups to pay far less in taxes than others with equal income. The 27½-percent depletion allowance on the income from oil and gas is the most notorious of these. But there are many other abuses such as stock options, the improper use of capital gains instead of ordinary income rates, the evasion and avoidance of taxes on dividends and interest, excessive deductions for entertainment, travel, lobbying and other prerequisites, and many others.

The Kennedy administration made a mild beginning on this reform last year when it proposed to withhold the basic tax on income from dividends and interest, as has been done for 20 years in the case of wages and salaries, and to plug certain minor loopholes. To sweeten this reform for the business interests, it proposed a tax cut of 7 percent of the net investment in personal property in fields other than building. After a year and a half we are now nearing the end of this struggle. The result is that while the sweetener has been accepted in a vulgarized form most of the tax reforms have been rejected. The one remaining hope for thoroughgoing tax reform in the next year is to accompany it with a cut in personal income and other taxes. But if we use up the cut this year, there will be nothing left with which to purchase tax reform next year. This is precisely why some business groups are urging a tax cut now.

SHORT TERM VERSUS LONG TERM SOLUTIONS

Some advocates of a tax cut are shifting from the argument that such a reduction is necessary to prevent a recession to the prescription that it is the best medicine for a

sluggish economy. But any such stimulation would be temporary and the effects would soon wear off. Is it proposed to make continual injections of monetary purchasing through governmental deficits in order to stimulate the capitalistic system? This was the basic method followed by the New Deal, and it may have been justified in the 1930's by the severity of the depression and the paucity of economic analysis about the causes of and remedies for low-level employment and production. But after a quarter century we should know better.

If, because of monopoly, partial monopoly and imperfect competition, the sum total of price tags on the potential output of industry is greater than the total monetary purchasing power in the pockets of buyers, the remedy would seem to be to reduce prices to the level of incomes rather than to build up incomes to the level of prices by the hypodermic injections of continuous Government deficits. But to effect this we need a vigorous procompetition and antimonopoly policy which even a liberal government shies away from and which most of the advocates of free enterprise oppose.

The best immediate remedy for sluggishness as well as for the prevention of recession is what is termed "monetary ease," or a lower interest rate. This has long been a truism among qualified economists. It was admitted last winter by the Chairman of the President's Council of Economic Advisers, Walter Heller, when he testified before the Joint Economic Committee. But as the growth rate fell off and predictions of a recession deepened, Chairman Martin, of the Federal Reserve Board, sold rather than bought Government bonds. He has consequently forced interest rates up during these last months and has thus repressed investment and employment. This has been one of the causes of the present sluggishness, and now Mr. Martin and the European bankers, whom he loves to quote, are prescribing more of the same as a cure. This has led a wag to suggest that a new Chairman of the Federal Reserve Board would be worth more than a $10 billion tax cut. With proper accompanying measures, such a reduction in long-term interest rates need not create an untoward flow of gold. But that, as Kipling used to remark, is another story.

There are indeed clear evidences that the failure of the Federal Reserve in recent years to let the money supply increase at the normal growth rate has kept interest rates above the marginal productivity of capital and hence has exerted a permanent depressing influence on the economy. In a similar fashion, monopoly, quasi-monopoly and imperfect competition, by keeping prices above and production below what they would be under competitive conditions, has dampened down consumption, production and employment. And with a high rate of idle capital caused by a lack of effective demand, it would hardly seem that a tax bonus on investment would be an adequate stimulus in that field. It would be well for the President's advisers to return to these simple truths rather than to urge tax cuts at this time.

But if we should be drifting into a recession, then in default of other action, I would favor a tax cut of the right kind; namely, one which would be concentrated on building up consumer demand. If that is shoved up, then investment will follow. But a wrong kind of tax cut at the wrong time would ultimately set us back rather than move us forward.

I also believe the President should be armed with the discretionary authority he has asked for to cut taxes if the figures on employment and production justify it. But he should not be hurried into doing so by trigger-happy economists.

BUSINESSMEN OPPOSE A TAX CUT NOW

Mr. PROXMIRE. Mr. President, in connection with the same subject, Business Week has, in the current issue, concluded a survey of the feelings of businessmen on a tax cut. It found that businessmen are inclined to oppose a tax cut, although the lineup is pretty close: 3 to 2 against a "quickie" tax cut. In some cities, including Milwaukee, a tax cut was favored. However, businessmen are almost unanimously against additional Government spending. There appears to be a feeling on the part of some businessmen that, if they favor a tax cut, the main reason is it would discourage additional Government spending. Incidentally, economists generally want a deficit—that is, higher Government spending and lower taxes to stimulate the economy.

I ask unanimous consent that the article from Business Week be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUSINESS WEEK SURVEY FINDS BUSINESSMEN AGAINST A TAX CUT, BUT THEY'RE UNANIMOUS IN WANTING TO CUT GOVERNMENT SPENDING

Consensus of 150 high-ranking executives Business Week asked to put themselves in the shoes of Congressmen was a "nay" to tax cutting, but on the surface, hardly a resounding one. This week Business Week reporters in 16 cities asked businessmen this question: "If you were a Congressman, how would you vote on a bill for an immediate across-the-board tax cut?"

Overall, the lineup was 6 to 4 against a quickie tax cut. In Atlanta and Milwaukee, a cut was favored by small margins; in Detroit and Cleveland, Business Week reports, it got overwhelming support.

But businessmen were not so split as it might seem. Many, no matter how they voted, were agreed on the importance of a cut in spending; if they opposed a tax cut now, it was for lack of assurance of a commensurate cut in spending on foreign aid, farm subsidies, welfare programs, and a growing bureaucracy.

Business Week found that opinions about the business outlook range generally from an expectation of "static" conditions to outright fear of a major recession, in a few cases. The degree to which executives fear a decline is closely correlated with their warmth about favoring a tax cut soon.

Many businessmen told Business Week they are optimists, yet most expect some decline in the next 6 months.

The best an avowed optimist can seem to say is typified by the remark of a Detroit executive: "Even if business doesn't get better, it won't get very bad."

Businessmen's opinions vary greatly on how much stimulus a tax cut would give the economy—and on whether this is a justifiable use of tax policy.

For the long run, the Business Week survey reveals, businessmen are virtually unanimous in hoping for general tax reform. Many favor something like the Baker-Herlong bill, which prescribes a 5-year tapering of the personal tax rate to a range of 15 to 38 percent and the corporate rate to 42 percent. One Boston executive commented: "There is growing recognition in Congress and the administration that our tax system is holding us all back."

According to the Business Week survey some executives think President Kennedy has lost prestige through his delay in deciding for or against a quick cut, though, one man suggests, "one good speech will undo any damage."

"Kennedy isn't antibusiness," a Boston businessman summed up for Business Week, "but he should send those professors who are around him back to the classrooms."

UNIVERSITY OF MICHIGAN EXPERT KATONA SURVEY SHOWS OPPOSITION TO FEDERAL INCOME TAX CUT

Mr. PROXMIRE. Mr. President, George Katona who is a distinguished professor and head of the Research Center at the University of Michigan, conducted a nationwide survey of the entire population on a tax cut in 1961 with very fascinating results. It showed the people were equally divided on a tax cut. The interesting thing related to whether the tax cut should be in Federal income tax, property tax, or sales tax. The only group that favored a tax cut was that in which family income was under $3,000 a year. The vast majority of these people, on the basis of statistics which are available, pay no Federal income tax. So it is evident that what they really wanted was a cut in property and sales taxes. Those in the higher incomes, whose taxes would be primarily in income taxes, opposed a tax cut in every category.

Another interesting aspect of the study is that, the higher the income, the more emphatic was the opposition to a tax cut.

I ask unanimous consent that the table showing the results of the survey be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Opinions on the advisability of a tax reduction, spring and fall, 1961

[In percent]

Tax reduction	All families [1]	Family income				
		Under $3,000 [2]	$3,000 to $4,999	$5,000 to $7,499	$7,500 to $9,999	$10,000 and over
A good idea	42	53	43	39	32	33
Pro-con	6	4	7	6	6	4
A bad idea	43	29	44	47	57	55
Don't know, not ascertained	9	14	6	8	5	8
Total	100	100	100	100	100	100
Number of cases	2,256	564	462	581	250	282

[1] Includes cases whose income was not ascertained.
[2] Pay little or no Federal income tax.

The questions were: "There has been discussion about reducing taxes at the present time. Do you think this would be a good idea or a bad idea?" "Why do you think so?"

Reasons given for opinions—All families

	Percent
Good idea because:	
Demand needs to be increased; to stimulate recovery	13
Taxes are too high	22
Bad idea because:	
Government needs money; defense expenditures high	35
Tax cut would cause deficit; budget should be balanced	8

HELLER'S EXCELLENT STATEMENT BEFORE JCC AND PLEA FOR MODERATE INTEREST RATES

Mr. PROXMIRE. Mr. President, on the same subject, one of the finest presentations which I think the Joint Economic Committee or any committee has had in a long time was the presentation of the Chairman of the Council of Economic Advisers, Dr. Walter Heller. I happen to disagree with some of his conclusions, but I think it was a superb presentation. I call particular attention to the statement on monetary policy, in the latter part of the statement.

In the course of his presentation on monetary policy, Dr. Heller had this to say:

> There has been a compelling need for general monetary ease, as part of expansionary economic policy for full employment and adequate utilization of our resources. It has been especially vital to maintain reasonably long-term interest rates and a plentiful supply of investment funds in order to stimulate private investment and quicken the tempo of growth in potential output.

He goes on to point out that this is essential. He recognizes that the balance-of-payments situation somewhat modifies this objective. Nevertheless, he seems to conclude that a more restrictive monetary policy would be unwise under the circumstances and should be avoided at virtually all cost, if possible.

Mr. President, since neither Chairman Martin of the Federal Reserve Board nor the Assistant Secretary of the Treasury Roosa, who specializes in monetary policy, contend that high interest rates are vital to our balance-of-payments position I can see no reason for not moderating interest rates.

And in the colloquy which followed Dr. Heller's statement it seemed clear that there was no very persuasive reason offered by Dr. Heller or any other economist before our group so far which would argue that high interest rates are essential to maintain our balance-of-payments position.

I ask unanimous consent that the fine statement by Dr. Heller be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE PERFORMANCE OF THE ECONOMY IN THE PAST 5 YEARS

We are examining the economic outlook today because the current expansion has not been as vigorous as all of us hoped and most of us expected. The expansion has slowed down in 1962 and we must be alert to the danger that the current recovery, like its immediate predecessor, will not carry us to full employment. Nevertheless, we should recognize the important economic gains that have been scored during the past year and a half. From the first quarter of 1961 to the second quarter of 1962 gross national product rose from $501 billion to $552 billion, a rise of 10.2 percent (or a rise of 8.5 percent after price correction), consumption in constant prices increased by more than $250 per family (annual rate), corporate profits before taxes have increased by roughly one-fourth, labor income increased by nearly 9 percent, unemployment (seasonally adjusted) declined by about 1 million persons, with the rate falling from 6.8 to 5.5 percent (and to 5.3 percent in July).

(For further details, see the "Summary of 1961–62 Economic Expansion and Policies" [not printed in RECORD].)

If advances could be maintained at this pace, on the average, we would achieve full employment—full utilization of our resources consistent with our interim goal of 4 percent unemployment—sometime late in 1963. But obviously we are all concerned by evidence that the next five qurters are not likely to yield equally strong advances. Gross national product (in constant prices), after rising at a rate of 9 percent per year from the first to fourth quarters of 1961, has been rising at a rate of only about 3¼ percent per year in the first half of 1962. Personal income increases averaged $4.6 billion (annual rate) per month during the 10 months of recovery in 1961, but have been averaging only $1.6 billion since December. After rapid gains during 1961, corporate profits seem to have changed little in the past two quarters. On the other hand, the first half of 1962 has witnessed a more rapid improvement in employment and a more rapid decline in unemployment than we experienced last year.

In early 1961 we were in the position of having to recover not from one but from two recessions—for the recession of 1960 came on top of the incomplete recovery from the recession of 1957–58. There can be no doubt that impressive gains in employment and output have been made in the past year and a half. But the economy has not yet regained the reasonably full utilization of its labor and capital which it last experienced in early 1957. It is in this context that we must reexamine the means for achieving the goals of the Employment Act of 1946: "Maximum employment, production, and purchasing power."

The postwar era taken as a whole has, to be sure, witnessed remarkable progress in the achievement of these goals. The worst rates of unemployment in the postwar era were about 7½ percent of the labor force, much better than the best performance of the economy in the 1931–40 decade, when the unemployment rate remained consistently above 14 percent. But the record of the past 5 years—while a great improvement over the prewar era—has not matched that of the first postwar decade. From 1946 until mid-1957, full utilization of resources was the normal state of the American economy. Unemployment significantly exceeded 4 percent of the civilian labor force only about one-third of the time, principally during and immediately after the two brief recessions of 1948–49 and 1953–54. Since late 1957, unemployment has fallen below 5 percent of the labor force only briefly. It reached a peak of 7 percent in the recession of 1960–61, and has averaged 6 percent for the 5-year period. Nor has the plant and equipment capacity of American industry been fully utilized. According to one widely used measure, manufacturing operating rates in the past 5 years have averaged 6 percentage points lower in relation to capacity than in the previous decade and have consistently remained well below the peak efficiency rates preferred by businessmen. After dropping to 77 percent at the beginning of 1961, the average operating rate rose to an estimated 87 percent in the second quarter of 1962, still several points short of preferred levels.

Our capacity to produce has continued to expand since mid-1955 by roughly 3½ percent per year, reflecting (1) a growing labor force, and (2) higher productivity stemming from improved and expanded equipment and plant, greater skill of workers and management, and technological innovations. But our actual production has grown less rapidly: at an annual rate of 2.7 percent from mid-1955 to date. Actual gross national product has not kept pace with the economy's potential: Beginning with 1958, unused potential output has amounted annually to an estimated $25 to $50 billion (1961 prices). The gap between potential and actual output has narrowed from over $50 billion early in 1961 to roughly $30 billion today. But idle resources have continued to be the Nation's outstanding extravagance and inefficiency.

It is important to improve this record of recent years. Our leadership of the free world, the opportunities for our youth, the security of our aged, the mobility of our surplus farm population, the prospects for meeting growing public needs, the rejuvenation of our chronically depressed regions, the capacity of our economy to adapt smoothly to the expansion of our international trade—all of these are linked to the goal of maximum employment. As President Kennedy said in his Economic Report for 1962:

> "A full employment economy provides opportunities for useful and satisfying work. It rewards enterprise with profit. It generates saving for the future and transforms it into productive investment. It opens doors for the unskilled and underprivileged and closes them against want and frustration. The conquest of unemployment is not the sole end of economic policy, but it is surely an indispensable beginning."

DEVELOPMENTS IN THE FIRST HALF OF 1962

At the end of 1961, the rise of GNP in three quarters of recovery had exceeded the upswing from the low point of GNP in the comparable periods of the preceding two recoveries. While certain factors were weaker than in 1954–55 and 1958–59, others were stronger, leading to an expectation that the economy would continue upward at a relatively strong pace in 1962.

Nevertheless, on the basis of past experience, the growth during 1962 was projected to be more modest than in the recovery quarters of 1961. The shift from inventory liquidation to restocking that follows a recession normally yields large gains in the early stages of recovery. Some slowdown in the rate of advance must be expected as the expansion continues. But the change of pace was sharper than anticipated—in the three quarters of recovery in 1961 GNP advanced at an annual rate of nearly $13 billion per quarter; its increases in 1962 were only $6.4 billion in the first quarter and $7 billion in the second. Apart from statistical adjustments resulting from the revision of 1961 data, actual GNP in the second quarter, at $552 billion, ran at least $10 billion below projections.

The disappointing outcome is virtually all traceable to investment in plant and equipment and inventories. In relation to income consumer buying has held up relatively well; housing is now close to its predicted flight path after an erratic dip in the first quarter; exports are slightly above expectations; and Government purchases have behaved about as expected.

Although business fixed investment began to rise more promptly in this expansion than in earlier recoveries, its performance since the turn of the year has been disappointing. As against an expected increase of roughly 14 percent in 1962 over 1961, it now appears that the gain for the year will be closer to 3 percent.

This weakness of investment has sometimes been attributed to a profits squeeze. In fact, corporate profits have increased, as already noted, by one-fourth over the period since the first quarter of 1961, although in the aggregate further profit gains do not appear to have been made so far in 1962. In the logic of our private enterprise system an adequate level of profits is essential to economic progress. Profits should be higher than they are today, and they will be higher when our productive capacity is more fully utilized. It can be estimated that if the economy were operating at a 4-percent unemployment level, corporate profits after taxes would be a healthy $30 billion—compared to a $25.6 billion annual rate in the first quarter of 1962.

Corporate profits after taxes reached a peak of $22.8 billion in the inflationary year of 1950, a peak which they did not surpass until 1955, and which even today they surpass by only a modest margin despite the considerable growth in corporate sales and in the total investment in corporate assets since 1950.

Still, we cannot look at corporate profits in isolation. Since 1950, corporate depreciation and other capital consumption allowances have risen from $9.4 billion in 1950 to $28.7 billion (annual rate) in the first quarter of 1962. Together, corporate profits after taxes plus corporate capital consumption allowances—often called corporate cash flow—have risen from $32.2 billion in 1950 to $54.3 billion in the first quarter of 1962.

A comparison of business fixed investment with corporate cash flow can only be approximate since noncorporate investment is included in the investment figures, but it gives some indication of business attitudes toward investment in relation to the flow of depreciation and after-tax profits. Most of the time from 1951 to 1957, business fixed investment exceeded corporate cash flow; since mid-1958, the reverse has been true continuously, and the distance has widened in the current expansion: cash flow has grown about $7 billion (annual rate) above the $47 billion level of the first quarter of 1961; business fixed investment has meanwhile advanced $5.4 billion from its $44.7 billion rate in the trough quarter. Although investment for moderization and cost cutting is rising moderately—and surveys suggest that about 70 percent of plant and equipment investment is for these purposes—the gains in profits during 1961 did not generate enthusiasm for a major expansion of plant and equipment. The overall willingness of business firms to invest has not kept pace with their overall ability to invest out of internal funds.

Inventory investment in the second quarter is estimated at the relatively low annual rate of $3.4 billion. The working down of steel inventories was a factor in recent months, but even apart from steel, the general pattern of inventories reflects a cautious policy by business firms. Inventories were growing less rapidly than sales through most of 1961 and into the spring of 1962. Inventory-sales ratios which were declining from levels already relatively low by past standards would typically have heralded a speedup in inventory accumulation, but this has not occurred in 1962.

Business conservation toward capital goods and inventories appears to be grounded in the experience of the past 5 years. The American economy since 1957 has had continuously slack labor markets, buyers' markets for materials, and persistent excess capacity. It has proved difficult for businessmen to work up much enthusiasm for buying or building ahead of minimal needs with that history still fresh in their memories. The Nation's businessmen have had their share of disappointments in the past 5 years. They saw markets contract in 1957 just as they were adding new plant capacity and new labor to meet expected growth in demand. Much of the expanded capacity had to remain on the sidelines when the 1958–60 expansion fell short of full use of the Nation's great productive strength. To be caught long on capital and labor and short on markets tends to breed caution the next time around.

We do not have the stimulus of large backlogs of demand that marked the early postwar years. We do not have—and do not want—the stimulus to buying that inflationary expectations can provide. Against this background, it is difficult for private demand to carry the economy to full employment under existing tax rates.

During a period of recovery, an appreciable share of the growth in business and personal incomes is drained off into Federal taxes. This tends to hamper the growth in both consumer and producer demand upon which continued expansion depends. During the five quarters of the current expansion, Federal taxes (net of transfers) have taken $12 billion of the $51 billion increase in total incomes, but Federal purchases have taken only $7 billion of the $51 billion increase in total output. The difference between the $12 billion of added taxes (net of transfers) and the $7 billion of added purchases is a measure of the drag on the recovery exercised by the Federal budget. If tax receipts had grown less rapidly, or expenditures more rapidly, total demand would have grown faster, and the expansion of output and income would have been greater. The automatic stabilizing effects of the Federal budget, which help to cushion a recession, also tend to retard a recovery.

If the economy were at full employment today, we estimate that total income and total output would be about $30 billion higher than at present. But Federal tax receipts would be about $9 billion above present levels, and private saving would be $5 or $6 billion higher than today. Thus, taxes and savings would be drawing $14 or $15 billion from the economy, which would have to be offset by additional investment and Government expenditures for full employment to be maintained. This means that, at present levels of Government expenditure, our present tax system bars the way to full employment unless we are able to raise private investment about $14 or $15 billion above present levels.

PROSPECTS FOR THE MONTHS AHEAD

The most recent evidence on economic activity, though mixed, offers cause for concern. After a slow start in January-February, and then a brisk pickup in March and April, the 1962 economic expansion slackened in May and June. Those measures of overall activity which primarily reflect the results or the execution of past decisions to hire, buy, and produce—e.g., the overall measures of income, employment, production, and construction—kept setting new records almost every month.

However, as previously indicated, the pace of advance was not satisfactory. And any appraisal of the outlook must also recognize the recent softness of many indicators which record current decisions and which point toward future economic decisions. For example, the movements of orders and contracts are likely to foreshadow changes in production and shipments. New orders for durable goods have been moving downward since January and in June were 7 percent below their January peak. Machinery and equipment orders are lower than in January, although they recovered some lost ground in May and held almost even in June. Housing starts and building permits have shown considerable strength in recent months, even though the latest figures are considerably below the high points of the present expansion. Commercial and industrial construction contracts are another area of recent strength on which the latest returns point downward. The factory workweek frequently indicates the needs of manufacturing firms for additional labor. It has declined during both May and June. The stock market is one of the many factors which help mold and reflect economic expectations and attitudes toward spending, but the full implications of the slide in the market from March to June will not be clear for many months.

As we look ahead, we see mixed evidence on the various components of expenditure.

Consumption: Consumers have raised their spending in pace with gains in their income during the current expansion, and there is little evidence to suggest a marked departure from that pattern in the months ahead. A rather sharp and widespread decline in retail sales during June was worrisome, but preliminary data for July indicate a strengthening in department store sales, new auto sales, and total retail sales, after allowing for seasonal changes. Past experience and current surveys indicate only a limited possibility that consumers will spark a renewed advance in the economy. Such a spark would probably have to arise from the volatile area of durable goods purchases. In the current expansion, autos have supplied most of the strength in that sector, and it would be surprising if demand for 1963 autos were to top the brisk activity in 1962 models.

Housing: With the aid of rising incomes, readily available mortgage credit, and lower interest rates, homebuilding has done very well. The sharp rise in starts this spring carried housing activity to high levels. But, following a sharp decline in starts for June, total housing outlays fell in July. Permits come first in the chronological sequence of permit-start-construction activity. The recent data on permits point neither to a continued slide in starts below the June level nor to a resurgence to the high levels of April and May.

Plant and equipment: Surveys of business intentions point to continued modest increases in fixed investment during the remainder of 1962. The recent McGraw-Hill survey found no evidence of cutbacks in late June after the stock market decline. Recent softness in orders for equipment raises some doubts about the outlook for plant and equipment investment but the evidence is not conclusive. At the same time, the recently announced reform of depreciation guidelines and the pending tax credit for investment serve as sources of future buoyancy in this sector.

Inventories: In the postwar period, every recession has been dominated by inventory cutbacks. But today, given the conservative inventory-sales ratios already prevailing, it would be surprising if large-scale inventory liquidation were initiated. Reduction in stocks of steel has been an important factor holding down inventory investment in recent months. With that adjustment apparently nearing completion, inventory investment might revive this fall or winter. On the other hand, new orders and unfilled orders are important determinants of inventory policy, and strong incentives to build stocks probably would arise only in response to a reversal in recent trends in such orders.

Government: Purchases of goods and services by the Federal Government are expected to increase at a moderate rate in the next few quarters, giving some support to the private economy. The upward trend of State and local outlays will surely continue.

The prospects for various components are difficult to add up. They do not sum up to a crisis in the economy, nor do they offer any assurance of spontaneous resumption of brisk advances in the private economy. A continued period of modest upward movements or leveling off is one reasonable possibility. We experienced this in 1956–57, with gains in output just large enough to prevent a significant rise in unemployment. But we cannot rule out the alternative possibility

that the recent slowdown in the expansion represents advance warning of an economic decline. A more explicit verdict would not do justice to the perplexing and inconclusive crosscurrents in the evidence before us—nor to the limitations of the science of economic forecasting.

But even in the face of much greater uncertainty than usual about the pace of further advance and the possibility and timing of an economic downturn, this much is clear: The U.S. economy is still operating considerably short of its potential and action on the important economic measures recommended by the President is needed to strengthen its performance.

POLICY ACTIONS

Pending proposals

The slowdown in the rate of expansion in 1962, combined with the current uncertainties in the economic outlook, underscore again the importance of action on the President's recommendations in the Economic Report last January for "a defense-in-depth against future recessions," "a three-part program for sustained prosperity which will (1) provide standby power, subject to congressional veto, for temporary income tax reductions, (2) set up a standby program of public capital improvements, and (3) strengthen the unemployment insurance system."

These three measures, or reasonable alternatives—providing up to $10 billion of temporary income tax reduction (at annual rates), $2 billion of public works acceleration, and stronger unemployment compensation—would, as the President said in January, "enable Federal fiscal policy to respond firmly, flexibly, and swiftly to oncoming recessions."

By enacting the foregoing proposals or the related measures that now lie before it, the Congress could provide a significant economic stimulus at the present time:

As the President noted in his statement on June 7:

"I have asked the Congress to provide standby tax reduction authority to make certain, as recommended by the eminent Commission on Money and Credit, that this tool could be used instantly and effectively should a new recession threaten to engulf us. The House Ways and Means Committee has been busy with other important measures, but there is surely more cause now than ever before for making such authority available."

The public works acceleration legislation which has passed the Senate and is pending in the House will provide for additional Federal, State, and local public works in areas of heavy unemployment. (The Senate bill also includes provision for additional standby authority permitting the extension of the program should conditions warrant.)

The temporary extension of the period of unemployment compensation benefits earlier authorized by the Congress has now lapsed, and its renewal has been requested. Such a program alleviates in some measure the hardship of those most directly and immediately affected by continued excessive unemployment. Moreover, the resulting addition to consumer purchasing power strengthens consumer buying.

Other measures now pending before the Congress can also provide immediate as well as sustained support for further economic expansion:

The investment tax credit, part of the 1962 revenue bill, promises further significant incentive to business investment, in addition to the encouragement already provided by the new depreciation guidelines.

The proposed Trade Expansion Act of 1962 will contribute to the administration's program to expand our exports—a potential source of increased demand for the output of our farms and factories, important for this reason as well as for its contribution to improving our balance-of-payments situation.

The proposed Youth Employment Opportunities Act, aimed especially at the severe unemployment and underemployment of our young people out of school, would make inroads on a particularly unfortunate byproduct of slack in our economy.

Tax reduction

Beyond these important and timely measures now pending before the Congress, a program to improve the rate of utilization of our resources and the rate of growth of our economy must include the even more fundamental measures of tax reduction and tax reform. On June 7, President Kennedy stated:

"Our tax structure, as presently weighted, exerts too heavy a drain on a prospering economy. * * * A comprehensive tax reform bill * * * will be offered for action by the next Congress, making effective as of January 1 of next year an across-the-board reduction in personal and corporate income tax rates which will not be wholly offset by other reforms. In other words, it is a net tax reduction."

The President has also indicated the possibility of asking for earlier action on tax reduction if economic developments should require it.

Apart from the announced intention to recommend both individual and corporate income tax reduction effective January 1, 1963—unless adverse economic developments require earlier action—no decision has been made on the size, composition, and timing of a recommended tax reduction. But the basic case for easing the net tax drain on the economy, as well as the broad principles which should guide tax reduction, are reasonably clear in the light of our unsatisfactory economic experience of the past 5 years.

A reduction in net tax liabilities of both consumers and business spurs the economy's advance toward full resource utilization in three important ways:

First, it increases the disposable income of consumers. The statistical record indicates that consumers consistently spend from 92 to 94 percent of their total disposable income. And past experience also confirms that increases in such incomes are very largely and very quickly translated into higher consumer spending. As the private income released by tax reduction is spent, markets strengthen, production rises, new jobs are created, and incomes and profits rise accordingly. This generates added cycles of private spending and leads to further increases in output and employment. This process alone—the so-called multiplier effect—translates the original personal tax reduction into an increase in gross national product considerably larger than the reduction itself.

Second, by bolstering sales and pushing production closer to capacity, tax reduction stimulates investment in inventories and in plant and equipment—the so-called accelerator effect. This further expands gross national product, raises profits, and reduces the deterrent effect of excess capacity that since 1957 has plagued the economy and curbed expansionary investment.

Third, by reducing the Government's share of business earnings, tax reduction improves profit margins and increases the supply of internal funds available for investment. This strengthens both the incentives and the financial ability of businessmen to undertake the risks involved in new investment.

Decisions on size, composition, and timing of tax cuts will need to give appropriate weight to the following economic considerations:

1. The longer term need for reducing the excess of Federal revenues over Federal expenditures that would be realized at full employment, a need that depends on:

(a) the current size of the full employment surplus, estimated at $7 to $8 billion on a national income accounts basis;

(b) its prospective size in the light of projected growth in Federal expenditures and Federal revenues as the economy expands;

(c) the amount of surplus at full employment that is needed to curb inflationary pressures while maintaining a high level of investment.

2. Any short-term need that may exist for overcoming temporary deficiencies in consumer and investment demand.

3. The necessity of combining individual and corporate income tax reduction in the manner best suited to stimulating both consumption and investment, to support both markets and incentives.

4. The appropriate relationship to the projected reform of the tax structure, a reform designed to improve equity and remove the artificial tax barriers or concessions that divert resources from their most efficient uses and thus impair our rate of economic growth.

5. The invigorating effect of tax reduction on the economy and the resulting "feedback" of revenues to the Federal Treasury which limits the net budgetary cost of the reduction and, over time, may even wipe out its initial addition to a budget deficit.

6. The monetary policy being pursued—for example, if monetary policy becomes more restrictive for balance-of-payments reasons, a larger tax reduction would be needed to yield a given economic stimulus.

Monetary policy

As the last point indicates, fiscal policy and monetary policy are tightly interwoven, indeed are in part substitutes for one another. A given stimulus to the economy can be achieved by a relatively easier fiscal policy coupled with a relatively tighter monetary policy, or vice versa, but the effects on the balance of payments and on the investment-consumption balance in the economy may be rather different in the two cases.

During this economic recovery, the task of monetary policy has been especially difficult. There has been a compelling need for general monetary ease, as part of expansionary economic policy for full employment and adequate utilization of our resources. It has been especially vital to maintain reasonably low long-term interest rates and a plentiful supply of investment funds in order to stimulate private investment and quicken the tempo of growth in potential output. Yet, concurrent with these objectives, it has been necessary to discourage large flows of capital out of this country that could complicate the task of restoring a healthy balance of payments and confidence in the dollar.

The problem of capital outflow is tied primarily to our level of short-term interest rates relative to those of other countries, and it has therefore been necessary to prevent short-term rates from falling too low. At the same time, the monetary and debt authorities have tried to shield long-term rates, so critical to economic expansion, from the restrictive impact at the short end of the maturity spectrum. Since February 20, 1961, the Federal Reserve has conducted its open-market operations in all maturity sectors of the U.S. Government securities market. On balance, the Federal Reserve has actually sold short-term U.S. Government securities in the open market since that date, but it has bought longer-term securities, primarily 1 to 5 years, in amounts much larger than the sale of short-term securities. Most of the purchases of long-term securities took place in 1961. Since then, such purchases have been more limited. The Treasury Department has also adapted debt management policies in part to these same objectives, primarily through

concentrating new cash offerings of securities in the short-term area, but also by buying long-term securities for the Treasury investment accounts to the extent that such purchases were consistent with the objectives of these funds.

The action that the Federal Reserve took, effective January 1 this year, in raising the maximum interest rate payable on commercial bank time deposits to as high as 4 percent, has increased the total flow of funds put pressure upon these institutions to find investment outlets and has helped to reduce yields on both mortgages and municipal bonds. Actually, at this point of time, 17 months after the beginning of economic recovery, long-term private interest rates are generally below their levels at the cyclical trough in February 1961. They are also below the levels at the corresponding stage of the 1958–59 recovery, despite the postwar peak in interest rates that intervened. The reduction in long-term rates has had to overcome two psychological barriers: first, some persistence of inflationary psychology in the financial community despite the lack of tangible inflation; and, second, vivid memories of the experience of 1958–59, when economic recovery was accompanied by sharp increases in long-term rates.

The total of demand and time deposits and currency has been increasing since February 1961, by more than 7 percent per year, and the availability of bank reserves has been generally favorable to the expansion of bank credit. Banks have been going more heavily into municipal bonds and mortgages. Very little of the expansion of bank loans and investments over the past year has been in U.S. Government securities. In relation to economic activity, liquidity in the economy is not much changed from its postwar low.

A special word is in order on the relation of monetary policy to the balance-of-payments situation. We have, from the beginning, taken a number of determined and effective measures to improve our balance of payments and maintain confidence in the dollar. In dealing with the balance of payments, however, it would be self-defeating to adopt policies that would undermine the vigor of the economy—for example, through restrictive monetary-fiscal policies. Confidence in the dollar is dependent upon a strong, growing American economy. Further, a revival of vigorous growth here will make the United States a more attractive outlet for long-term investment funds, both domestic and foreign. As a result, monetary and debt-management policy must continue to aim at providing ample credit and liquidity to support needed recovery and growth, consistent with the requirements of balance-of-payments policy.

Finally, as monetary and fiscal policies are brought into coordinated focus, these points stand out:

1. At a time when the Federal budget was becoming progressively less expansionary in its net impact on the economy during the 1961–62 recovery, monetary policy remained easy, partly through conscious effort of the monetary authorities, partly because expansionary forces have not been as strong as expected, and partly because 1961–62 may mark the end of a rising trend—related to inflationary expectations—in interest rates.

2. Balance of payments and gold outflow considerations currently demand a more restrictive monetary policy than would be desirable from the standpoint of the domestic economy. To this extent, fiscal policy must be more expansionary than would otherwise be necessary in order to promote domestic economic expansion and narrow the excessive gap between our economic performance and our economic potential. Indeed, closing this gap can play an important role in building long-run confidence in the dollar. As the steps currently being taken to eliminate the balance-of-payments deficit and strengthen our international monetary position achieve their objective, the curbs on our freedom to use monetary policy to meet the needs of the domestic economy will be progressively reduced.

3. Any move toward sizable tax reduction must, of course, be accompanied by a willingness to move toward higher interest rates if this should prove to be necessary (a) to discourage any adverse capital flows that might develop, or (b) to offset any inflationary pressures that might ensue if the rebound toward full employment should prove to be unexpectedly rapid.

4. If budget deficits are incurred, the method of financing them must be carefully adapted to the prevailing economic circumstances. A careful balance must be struck between bank and non-bank financing, a balance which will not thwart or nullify the expansionary effect of budget measures in an economy with excessive unemployment and excess capacity, but will prudently shift Federal debts into nonbank hands as the economy comes close to or reaches full employment.

Summing up, let me say that relative monetary ease has facilitated economic expansion in the recovery of 1961–62; that even greater ease would have been possible in the absence of international payments pressures; that those pressures throw an additional burden on fiscal measures as part of a coordinated economic policy for full employment and faster growth; and that care must be exercised not to overcompensate for such international monetary pressures by premature or excessive tightening of credit and interest rates.

CONCLUSION

We would be dangerously complacent if we focused only on such impressive advances in our economic well-being in recent years as—

The rise of over $50 billion in gross national product since the first quarter of 1961, and the accompanying rise in employment, personal income, and profits.

The shrinkage of our balance of payments deficit from $3.9 billion in 1960 to $2.5 billion in 1961, and the prospect of further shrinkage to $1.5 billion or less this year.

The 4 years of stability in our wholesale price level since 1958.

The continued growth in our economic potential at rates exceeding prewar averages.

But when we look ahead, instead of backward, it is the size of the job yet to be done that demands attention and commands action; the continued hardship, inequity, and waste of unemployment; the excessive amounts of unused industrial capacity; the unsatisfactory pace of economic expansion in 1962; and the remaining gap in our balance of payments. My statement today has put its emphasis on this unfinished business of economic policy. The uncertainties of current economic developments and prospects underscore the urgency of that unfinished business. They also intensify the need for action on those economic measures that the President has already put before Congress, and the need for forethought on the tax adjustments which are needed to remove barriers to the expansion and full utilization of the great potential of the American economy.

UNEMPLOYMENT BIG ECONOMIC PROBLEM—TAX CUT NOT APPROPRIATE REMEDY

Mr. PROXMIRE. Mr. President, this morning, on the front page of the New York Times, there were a series of charts which show that personal income has been up, retail sales have been up, but only the production workweek is down.

I think we should recognize that the heart and soul of our economic problem is unemployment, and particularly factory unemployment; and to try to hit the whole economic system with a tax cut under these circumstances would be most unwise. What we should do is have a measure which aims at reducing unemployment, without the kind of budget unbalancing and deficit spending which would be the inevitable results of a tax cut.

I ask unanimous consent that the article from the New York Times to which I have referred be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORKWEEK DROPS THIRD MONTH IN ROW—CUT IN FACTORY HOURS OFFSET BY GAINS IN NONFARM JOBS, RETAIL SALES, AND INCOME

WASHINGTON, August 10.—The factory workweek, a key economic indicator that usually starts dropping before total economic activity does, declined in July for the third month in a row.

But an assortment of other indicators published by Government departments today pointed upward.

The Commerce Department reported for July a 2-percent advance in retail sales and a slight improvement in personal income.

The Labor Department, which issued the workweek figure, also said that nonfarm payroll employment, seasonally adjusted, had gone up last month to a new record of 55,632,000. This represented a slight rise of 124,000.

Last week the Department announced its summary labor market figures. These showed that the seasonally adjusted percentage of the labor force out of work declined in July from 5.5 to 5.3 percent.

Retail sales, according to preliminary Commerce Department figures, increased from $19,100 million in June to $19,500 million in July, after seasonal adjustment. The figure fell short of the record of $19,600 million set in April. It was about 8 percent higher than 1 year before.

Personal income, seasonally adjusted, rose to an annual rate of $442 billion in July, $1,300 million higher than June, and a record.

Most of the increase was in wages and salaries, which were $900,000,800 higher than in June. Contract construction payroll accounted for more than half the gain.

Manufacturing payrolls declined by $200 million on an annual rate, principally because the steel industry is in the doldrums.

Labor Department figures also reflected steel's difficulties.

Payroll employment in the primary metals industries, which include steel, dropped 24,000 between June and July and 85,000 in the last 4 months—seasonally adjusted.

Primary metals employment dropped 193,000 during the 1960–61 recession. Thus far in the recovery, Labor Department figures showed, it has gained back only 54,000 of that loss. Total nonfarm payroll employment, by contrast, has gained back all of its loss during the recession, plus 1,048,000.

The Labor Department's manpower experts think the lackluster performance of steel in recent months resulted from efforts to work off inventories acquired in anticipation of a steel strike that did not occur.

JOB OUTLOOK AFFECTED

But Seymour L. Woltbein, Deputy Assistant Secretary of Labor, said at a news conference today that steel was an industry that

also was feeling the impact on employment of automation and other technological changes.

Automobile industry employment, on the other hand, has climbed each month for the last six. The transportation equipment category, which includes cars, has gained back all of its loss of 187,000 workers during the 1960–61 recession, plus 51,000 more, after seasonal adjustments.

Over the year, all durable goods industries except primary metals have increased employment.

Neither manufacturing nor durable-goods employment changed significantly last month.

The small rise in nonfarm payroll employment, seasonally adjusted, was accounted for by the end of a construction strike on the west coast and by employment increases in the trade and service sectors, which have been steadily turning upward.

LEVEL IS STILL HIGH

Factory hours, despite their decline from 40.8 a week in April to 40.6 in May to 40.5 in June and 40.4 in July, still remained at a high level. The July figure has not been higher since 1950.

Steel, with unadjusted weekly hours averaging 38.5 in primary metals, caused a drag here, as well as on the employment figures.

Today's Labor Department report contained an analysis of the characteristics of persons out of work 6 months or more.

The number of persons unemployed that long was 260,000 in 1957, rose to 1,026,000 in 1961 and now is 576,000.

Nonfarm blue-collar workers account for a smaller percentage of the long-term unemployed now than they did in 1957. The percentage has moved down from 60 to 52.

MORE SKILLED

Both the semiskilled and unskilled have declined as a percentage of the long-term unemployed, while the percentage of the skilled has risen. The proportion of white-collar workers also has edged up—from 17 to 22 percent.

Men under 25 years of age now comprise 15 percent of the long-term unemployed. In 1957, they were 9 percent. The proportion of women under 25 in this category has doubled—from 4 to 8 percent.

THE HUNGARIAN QUESTION AND THE UNITED NATIONS

Mr. LAUSCHE. Mr. President, word is becoming increasingly more current that the United States may not renew its request to have the Hungarian problem placed on the agenda of the United Nations at the next, 17th General Assembly.

In my opinion, the elimination of the Hungarian problem from the agenda would involve open recognition by the United Nations that its solemn resolutions can be totally defied with impunity and without penalty, thus destroying the moral authority of the United Nations as an agency to promote peace by opposing aggression.

If this subject is not placed on the agenda, it would remove the main obstacle to the acceptance of the Hungarian delegations' credentials in the United Nations and the establishment of full American diplomatic relations with the present puppet regime in Budapest.

As for the United States, the final abandonment of American efforts even to seek justice for Hungary through the United Nations would constitute a long step toward the fulfillment of Khrushchev's main purpose, which is to bury the West by destroying faith in the steadfastness of the United States.

In September 1957, following the revolution in Hungary, the United Nations declared:

(a) The Union of Soviet Socialist Republics, in violation of the United Nations Charter, has deprived Hungary of its liberty and political independence and the Hungarian people of the exercise of their fundamental human rights;

(b) The present Hungarian regime has been imposed on the Hungarian people by the armed intervention of the Union of Soviet Socialist Republics.

Mr. President, the status of the situation in Hungary has not been changed. The present government has been imposed upon the Hungarian people. Its existence was achieved through armed aggression and intervention of the Soviet.

Yet, 6 years later, the word is current that this subject will be dropped by the United Nations.

I cannot understand it. It would mean that the world could well believe that the powerful nations can defy the United Nations and get away with it.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. LAUSCHE. May I have 2 more minutes?

The ACTING PRESIDENT pro tempore. Only 2 minutes for the morning business remain.

Mr. HUMPHREY. Mr. President, can the Senator from Minnesota take 1 minute?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be extended 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, the excuse given for not putting the subject on the agenda is that we cannot succeed; that we will fail. I cannot subscribe to that excuse. It is better to try and fail than not to try at all. By yielding to the argument that we cannot succeed, we are giving encouragement to the Soviets to challenge every order that is made by the United Nations.

Aggression and persecution still exist, and yet we contemplate abandoning standing by the high principle which our country proclaims and the United Nations declares it stands for.

I submit that we ought to ask that the subject be placed on the agenda. We ought to let the world know that the demands of the Soviet Union are not the only ones that are honored, but the demands of the West, when properly based, are given due consideration.

Even though this year it may be difficult because of the increased membership in the United Nations to win a majority to uphold the past United Nations resolutions on Hungary, it is vital that the fight should be made even if it should fail. Our cause is just; that of the opposition wrong. If our country stands firmly by its just position, even if it stands alone, the majority of mankind ultimately will stand with us, regardless of the attitude of the diplomats in the United Nations.

There is more that I should like to say on this subject, but my time has expired.

NEW U.S. NUCLEAR TEST BAN PROPOSALS

Mr. HUMPHREY. Mr. President, the recent criticism of the new U.S. nuclear test ban proposals is based more on politics than science. The criticisms wholly ignore the new technical developments produced by Project Vela and by experience with detection of American, Soviet, and French tests.

We have not spent $75 million on Project Vela for nothing. That project, encouraged by the Senate Subcommittee on Disarmament and started in the Eisenhower administration, has now begun to bear real fruit in large part because of President Kennedy's decision in the fall of 1961 to resume underground nuclear testing.

Briefly, there have been two key technical developments on which the new U.S. suggestions are based. The first establishes a better capability for long-distance detection of earth tremors caused by nuclear explosions or earthquakes, and makes it possible to propose a simpler and more economical system of internationally supervised long-range detection stations, manned largely by the country where located.

The control system proposed in the United States-United Kingdom draft treaty tabled on April 18, 1961, contemplated eventual construction of a worldwide network of 180 control posts, including a total of 34 such posts in the United States, the United Kingdom, and the Union of Soviet Socialist Republics. Substantial improvements in long-range detection now permit us both to design an effective control system with many fewer seismic control posts and to rely much more on stations outside the U.S.S.R. to detect explosions in the U.S.S.R. Needless to say, the control system would still have to be under careful and effective international supervision.

The second key technical development is that an earlier estimate of the number of tremors from earthquakes which might be confused with tremors from nuclear explosions has been shown by actual observation and research to be several times too large. Since there are fewer earthquakes which produce tremors similar to those of an explosion, the number of on-site inspections needed to identify the cause of the tremor is less.

At the time that the April 18, 1961, draft treaty was submitted, it was estimated that there would be on the average about 125 annual shallow earthquakes equivalent in size to a 19-kiloton explosion in the U.S.S.R. and that about 100 of these would not be positively identified as earthquakes and not explosions by 10-element detector arrays. It was also estimated then that there would be about 620 total and 590 unidentified earthquakes equivalent to a 2-kiloton explosion in tuff. Actual observation and research now indicates that there will only be about 175 earthquakes in the U.S.S.R. equivalent to a 2-kiloton ex-

plosion in tuff. Furthermore, with a well designed control system composed of stations largely outside the Soviet Union, all of these would be detected and all but 75 identified as earthquakes by instrument readings. Other information would reduce the number of 75 still further.

With 75 instead of 100 potentially doubtful earthquakes to worry about, a reduction in the number of on-site inspections may be possible. There would, however, still need to be on-site inspections to make sure that none of these earthquakes were really nuclear explosions. On-site inspections are essential to any safeguarded agreement.

These technical developments have shown the way to a control system which would cost less to construct and run, which would be simpler to manage, which could begin operation in a matter of months from ratification of a treaty, and would in no way jeopardize our national security.

Construction cost estimates for the control system proposed in the April 18, 1961, draft treaty ranged up to about $3.2 billion, and annual operating costs, up to almost $1 billion. The system now under consideration would cost perhaps one-fifth as much to build and one-third as much to operate. At the same time, the capacity to detect is not diminished—it is improved.

The April 18, 1961, draft treaty contemplated that all control posts would be new ones and that the first group of posts would not be required to begin operation for 2 years. The new proposal would bring seismographic stations already in operation under an international commission within a matter of months, and the new stations would be constructed in a shorter time than the earlier 2-year period.

The new proposals were approved by the President on the unanimous recommendation of the Secretary of Defense, the AEC, the Director of CIA, the Secretary of State, and the Director of the Arms Control and Disarmament Agency. The Kennedy administration is strongly of the view that an adequately verified ban on all nuclear weapon tests is in the national interest.

These changes are not "concessions" in any meaningful sense. If they are concessions in any sense, they are concessions to scientific progress. In this sense, the communication satellite is also a concession to science. If the new proposals are also closer to the Soviet position than our earlier proposals, so much the better. We cannot reach agreement by standing still. It is only sensible and honest to recognize the facts of scientific development and such is not a "concession" to the Soviets, but acknowledgment of scientific advance.

Our purpose in discussing a nuclear test ban is to reach an agreement banning nuclear tests under adequate safeguards. It is true that the Soviets have made no recent concessions to our point of view. But this has not always been the case and our hope is that it will not forever continue to be the case.

To show my colleagues that there has also been movement on the Soviet side, I ask unanimous consent to submit for the record a table showing the major Western and Soviet shifts of position in the direction of agreement in these negotiations up to the time of our new proposals. This shows that there were significant moves by both sides during the period 1958–60, a period, I might point out, in which the last administration was responsible for our participation in the negotiations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, let me conclude by saying a word about why a test ban is desirable, something that has been ignored by some of the critics. Each series of weapon tests produces less of significance to the development of new weapons by the United States. While there is always something new that can be tested, really significant advances are less frequent the more we test.

At the same time, if the Soviet Union is now behind us in some areas of nuclear weapon testing, further tests by it will inevitably permit it to catch up. The scientists tell me that unlimited testing on both sides will ultimately produce a situation where neither side is ahead.

Unlimited testing will also spur other countries which do not now have the bomb to bend every effort to produce it. The dangers of accidental nuclear war would be multiplied many times over. Moreover, a small nuclear war between countries other than the Soviet Union and the United States could well bring a nuclear holocaust upon us all.

The important objective is, therefore, to find a way to end all testing, so that we can prevent the nuclear arms race from spiraling out of control and take the first step toward disarmament.

I ask unanimous consent that a statement I made yesterday concerning the comments of Governor Rockefeller and the Senator from Illinois [Mr. DIRKSEN], be printed in the RECORD. I also ask unanimous consent that a letter addressed to me as chairman of the Subcommittee on Disarmament of the Senate Foreign Relations Committee by the Director of the Arms Control and Disarmament Agency be printed at this point in my remarks. This letter makes a significant contribution to the Senate's understanding of U.S. disarmament proposals and negotiations.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

HUMPHREY HITS ROCKEFELLER, DIRKSEN ATTACKS ON TEST BAN POLICY

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, has made the following comment on recent attacks on U.S. policy on a nuclear test ban:

"Governor Rockefeller's statement on the recent U.S. proposals on the nuclear test ban are either the product of misinformation and lack of understanding or election year politics. The facts are available and the Governor should have studied them before speaking on such an important and sensitive issue affecting our national security.

"The minority leader, Senator DIRKSEN, has had all scientific facts available to him, and his partisan criticism of U.S. proposals on a nuclear test ban violates bipartisan responsibility in the field of foreign relations and severely hampers the conduct of diplomacy by the President and our representatives abroad.

"Modifications on U.S. proposals are based on known scientific evidence as to the number of earth tremors occurring annually in the Soviet Union and the improved capability of long-range detection devices. Our previous calculations were in error. Recent tests and research and actual observation have necessitated reassessment. Our proposals must be based upon truth and fact, not deceit and fiction. The only concession we are making is to science and truth. We neither protect our national security nor enhance our national prestige by irresponsible statements or wilfully ignoring scientific developments.

"Half-truths may contribute to partisan politics, but make no contribution to peace."

U.S. ARMS CONTROL
AND DISARMAMENT AGENCY,
Washington, D.C., August 9, 1962.

Hon. HUBERT HUMPHREY,
Chairman, Disarmament Subcommittee of Senate Foreign Relations Committee, U.S. Senate.

DEAR MR. CHAIRMAN: During the recent hearings before your subcommittee on disarmament, Senator SYMINGTON raised a question concerning Mr. John J. McCloy's article "Balance Sheet on Disarmament" which appeared in the April 1962 edition of Foreign Affairs. In that article, Mr. McCloy described four areas where Soviet and United States interests might coincide in respect to disarmament. The four areas were: (1) desire to avoid general nuclear war; (2) desire to avoid nuclear war by accident, miscalculation, or failure of communication; (3) desire to avoid the spread of nuclear weapons to countries not now possessing them; and (4) desire to avoid the economic burdens of the arms race. Senator SYMINGTON inquired why the Soviet Union had not shown more inclination to reach early agreement with the United States in these areas.

It is very difficult to speculate what may motivate the Soviet Union in adopting positions with respect to disarmament and arms control. However, there are some factors that may be pointed to, factors both of a long range and of an immediate character that may have a bearing on recent Soviet attitudes.

Two longstanding problems which may affect a great many of our efforts with the Soviet Union in the field of disarmament are: (1) the problem of military parity, that is, the problem of agreeing to any disarmament or arms control measures at a time when either the United States or the Soviet Union feels that it might be prejudiced by a possible freezing of the status quo and (2) the problem created by the Soviet Union feels that it might be prejudiced by a possible freezing of the status Union regards much of the inspection believed desirable by the United States to verify various measures as "espionage" or "control over armaments."

These two factors, although of a general nature, may have considerable effect on Soviet willingness to undertake disarmament or arms control measures which would lessen the likelihood of general nuclear war or which would substantially tend to lessen the economic burdens of the arms race. An obvious illustration of this is found in the efforts to negotiate a test ban treaty, a measure which might have both the effect of lessening the ultimate likelihood of nuclear war and easing the economic burdens of the arms race. From recent Soviet actions and statements it appears that the Soviet Union may be reluctant to commit itself to stop testing if that would result in having to

accept a position of possible inferiority with respect to the development of nuclear weapons, and if conclusion of a test ban treaty would require acceptance of inspection measures which, in the Soviet view, would result in an undesirable degree of admittance into the Soviet Union.

In addition to these fairly general and long-range considerations, there are perhaps some more immediate causes for apparent Soviet reluctance to agree at this particular time to measures suggested by the West, even when those measures are in areas of logical self-interest to the Soviet Union. Some persons have speculated that present domestic policy within the Soviet Union is a significant factor. According to this theory, the Soviet Government would have a hard time justifying such measures as the June 1 increase in the price of meat and butter and the heavy expenditures for defense, if agreements were being concluded with the West in the field of arms control or disarmament. An additional theory which has been advanced by some persons is that the Soviet Union must appear somewhat militant and uncompromising with the West in order not to lose leadership within the Soviet bloc to the more truculent Red Chinese. Finally, some persons are also of the opinion that Soviet attitudes on reaching agreement with the West concerning disarmament or arms control are influenced by Soviet aims in negotiations with the West on other sensitive matters, such as Berlin. Under this view, the Soviets might wish to take fairly inflexible positions on disarmament, so long as they do not obtain the concessions they are seeking with regard to Berlin.

I am sure you will understand that the considerations which I have outlined constitute speculation; no one is able to say with certainty what motivates the Soviet Union in assuming particular stances.

There is one other factor, however, which I would like to stress. Even where the Soviet Union wishes to enter into agreement with the United States or with the West, it has generally been necessary to engage in arduous and prolonged negotiations. The Soviet Union appears to approach all negotiations with the West with extreme caution, even in relatively unsensitive areas, and this has been an important factor in recent times in making the negotiation of multilateral treaties a lengthy process.

For instance, it took about 14 months to negotiate the 1957 Convention on Conservation of North Pacific Fur Seals, a negotiation in which the Soviet Union as well as Japan, Canada and the United States participated. I might mention also that it took over a year and a half, including 60 preparatory meetings prior to a conference, to negotiate the Antarctic Treaty of 1959 in which the Soviet Union and 11 other countries participated. I would say, therefore, that even in the areas of mutual interest which Mr. McCloy outlined, it cannot be expected, although one would not like to rule out the possibility of exceptions, that results can be achieved rapidly.

I hope that the considerations I have set forth in this letter will be of help to your subcommittee and to Senator SYMINGTON.

Sincerely yours,

WILLIAM C. FOSTER.

EXHIBIT 1

MAJOR WESTERN AND SOVIET SHIFTS OF POSITION IN THE DIRECTION OF AGREEMENT DURING INTERNATIONAL NEGOTIATIONS FOR TERMINATING NUCLEAR WEAPONS TESTS

FOREWORD

The following table summarizes major shifts of position by the United States and United Kingdom on the one side and the Soviet Union on the other in the direction of agreement during international negotiations for terminating nuclear weapon tests. These negotiations took place mainly, but not exclusively, at the Geneva Conference on Discontinuance of Nuclear Weapon Tests (1958–62). The circumstances surrounding these policy developments are briefly described in the accompanying explanatory notes.

The record shows that there were significant moves by both sides during the period 1958–60. By the end of that time there was a considerable record of agreement, as shown by formal approval of the preamble, 17 articles, and 2 annexes of the draft treaty. Informal understandings also had been reached on many other questions.

The United States and the United Kingdom continued to make compromise proposals in the 1961 negotiations, but the Soviet Union then hardened its attitude and refused to offer any new concessions. The first clear sign of a Soviet shift away from agreement appeared when the Soviet Union withdrew its consent to a single Administrator for the control system and demanded instead a tripartite administrative council or "troika." The suggestion for merging the test ban with general and complete disarmament, and persistent denunciation of control as espionage, were further indications that Soviet policy was moving away from a test-ban treaty with international controls.

A reason for this retrograde movement on the part of the Soviet Union became manifest when Moscow announced on August 30 that it was resuming nuclear weapons tests. It then rejected an Anglo-American proposal for a ban on atmospheric tests only and carried out more than 40 tests, mostly in the atmosphere in spite of many appeals by other nations.

While the United States and the United Kingdom continued to advocate a test-ban treaty with international controls—the goal to which the Soviets had also subscribed since 1957—the Soviet Union climaxed its evolution away from this goal on November 27, 1961, when it proposed a test-ban agreement without any international controls. This step on the part of the Soviet Union completely wiped out all the compromises made by its negotiators during the previous 4 years.

The United States and the United Kingdom have completely rejected the new Soviet proposal and have made it clear that they are interested only in a treaty with effective international controls. It is with this aim that they have proposed renewed negotiations with the Soviet Union at the 18 Nation Conference. They have informally outlined to the Soviet Union certain changes in their draft treaty of April 18, 1961. Some of the suggested changes, without departing from the principle of effective international control, would reduce the difference between the two sides. Other changes are intended to strengthen the treaty by providing for earlier installation of the control system and furnishing minimal safeguards against secret preparations for testing.

Subject	United States and United Kingdom	Soviet Union
1. Relationship to disarmament	Separated test ban from disarmament package (1958). Dropped link between progress toward disarmament and continued suspension of tests (1959). Offered to negotiate on test ban in 18-nation disarmament conference (1962).	
2. Principle of international control	Temporary offer of atmospheric test ban without international controls (1961).	After maintaining that international controls were unnecessary (1955–56), proposed international commission and control system to supervise suspension of tests (1957). Participated in Geneva conference of experts (1958) and accepted their report recommending control system.
3. Threshold and moratorium	Proposed ban on tests above threshold of seismic magnitude 4.75 and agreed to moratorium on tests below threshold for duration of seismic research program (1960). Later proposed eventual scientific review of threshold question by international experts and also offered to discuss ways of immediately lowering or abolishing threshold (1961). Proposed comprehensive treaty without threshold (1962).	Advocated comprehensive treaty but accepted threshold provided West agreed to continuing moratorium on tests below threshold (1960).
4. De facto suspension of tests	Announced they would not test for 1 year after beginning of Geneva Conference (1958). United States later extended this period until end of 1959 and refrained from tests until September 1961. United Kingdom said it would not test as long as negotiations showed prospect of success (1959).	Unilaterally renounced tests (1958), then temporarily resumed but stopped again after Nov. 3, 1958. Later declared it would not test unless Western Powers tested first (1959)
5. Veto	Originally proposed majority rule in Commission. Negotiated compromises or alternative arrangements for various items in Soviet veto list.	Originally demanded veto on all substantive decisions, submitted detailed list of veto items. Withdrew some veto demands and accepted alternative arrangements on others.
6. Onsite inspections	Originally proposed onsite inspection of all unidentified seismic events above equivalent yield of 5 kilotons and 20 percent of unidentified events below that yield (1958). Offered 3 alternative formulas for determining annual quotas: (1) 20 percent of all events above threshold located by control system; (2) 30 percent of all such events still unidentified after application of U.S. criteria; (3) a flat figure of 20 inspections (1960). Proposed sliding scale of 12 to 20 inspections, depending on number of unidentified seismic events (1961). Offered to limit number of inspections in aseismic areas to low-level without increasing quota in context of comprehensive treaty (1962).	Offered 3 veto-free onsite inspections a year.
Technical working groups on high-altitude tests, seismic problems, seismic research program.	All groups proposed by Western side	Participated in all groups. (1) Accepted report of high-altitude group. (2) Produced dissenting report on seismic problems. (3) Reached informal understanding on many projected activities for seismic research program; technical understanding repudiated at political level.

Subject	United States and United Kingdom	Soviet Union
8. Seismic research program	After Soviets refused to participate, United States offered to carry out program; proposed "black box" procedure and pooling arrangement for nuclear devices used in program to guarantee no weapons improvement intended (1960). Accepted Soviet demand to inspect interior of nuclear devices (1961).	Agreed to let United States conduct program if Soviet scientists participated and obtained right to inspect interior of nuclear devices used (1960).
9. Peaceful-uses nuclear explosions	Proposed "black box" procedure for nuclear devices (1959). Accepted Soviet demand to inspect interior of nuclear devices (1961).	Qualified acceptance of peaceful-uses nuclear explosions.
10. Composition of Control Commission	Was willing to accept Control Commission of 3 Western, 2 Communist, and 2 neutral states if U.S.S.R. dropped veto demands (1959). Accepted Soviet demand for parity by agreeing to Commission of 4 Western, 4 Communist, and 3 neutral states (1961).	
11. Administrator	Offered to give Control Commission right to remove Administrator (1961).	Initially denied need for Administrator but accepted single Administrator (1958).
12. Deputy Administrators	Proposed 1 Deputy but later offered (1960) to agree on 5 Deputies (2 from each side and a 1st Deputy).	Originally proposed 2 Deputies (1959). Later accepted Western proposal for 5 Deputies (1960) but differed on manner of appointment.
13. Headquarters staffing	Originally proposed international staffing (1958). Later offered selection by equal thirds from United States, United Kingdom, U.S.S.R., and others (1959).	Proposed selection on basis of parity between 2 sides (1958). Accepted thirds formula but insisted on subdivision of last third among Western, Communist, and neutral states (1959).
14. Staffing of control posts	Originally proposed that staff should be entirely international and that host-country nationals be excluded (1958). Offered thirds formula: ⅓ from United States-United Kingdom, ⅓ from U.S.S.R., ⅓ from other countries (1959). Suggested compromise on last third (1961).	Originally proposed staffing by host-country nationals, with 1 control officer from the other side (1958). Accepted thirds formula but insisted on subdivision of last third among Western allies, Communist allies, and neutrals (1959).
15. Staffing of onsite inspection teams	Originally proposed international staff (1958). Later proposed that teams be made up of nationals of other side (1960). Offered to accept up to ½ neutral staff (1961).	Originally proposed teams made up entirely of host-country personnel, with 1 foreign observer (1958). Later proposed ½ from each side (1960).
16. Number of control posts	Originally proposed 21 control posts for U.S.S.R. (1960). Later offered to reduce number of control posts on Soviet territory to 19 (1961).	
17. Special aircraft flights	Originally proposed giving Administrator right to determine flight patterns with approval of Commission (1958). Later offered to agree that flights should be made along routes selected from those previously agreed with Commission (1960).	

EXPLANATORY NOTES

1. Relationship with disarmament: The American and British actions described above were all moves toward the Soviet position. The first Soviet proposals for a separate ban on nuclear weapons tests, apart from a general disarmament agreement, date from the end of 1955, and the Soviet Union continued to press the issue during the next 3 years. The United States and its allies during this period wished to deal with the problem of tests in the context of a first-stage disarmament agreement including provisions for a cutoff of the production of fissionable materials for weapons purposes, safeguards against surprise attack, reduction of forces and arms, and other measures. The Western working paper, submitted to the Disarmament Subcommittee on August 29, 1957, made the permanent cessation of tests contingent on the introduction of a nuclear cutoff and the satisfactory working of an inspection system.[1]

President Eisenhower declared on August 22, 1958, that the United States accepted the report of the Geneva Conference of Experts and was prepared to negotiate an agreement on the suspension of tests on a year-by-year basis, providing that the inspection system continued to work satisfactorily and satisfactory progress was made "in reaching agreement on and implementing major and substantial arms control measures." The British Government made a similar statement.[2]

The Soviet Union strongly attacked the United States and the United Kingdom for continuing to link agreement on a test ban with progress on disarmament. The issue was frequently raised by the Soviet delegation in the early days of the Geneva Conference on the Discontinuance of Nuclear Weapon Tests. In order to remove what seemed to be a serious obstacle to agreement, the United States and the United Kingdom announced on January 19, 1959, that they would no longer make continuation of a test ban contingent on progress toward disarmament.[3]

The Soviet position on separability underwent considerable change in the summer of 1961. Premier Khrushchev's aide-memoire of June 4, given to President Kennedy at Vienna, suggested the possibility of merging the test ban with general and complete disarmament.[4] Other Soviet statements, before and after the resumption of Soviet tests on September 1, 1961, indicated that the Soviet Union would not accept any international controls apart from general and complete disarmament and sought to justify Soviet testing by blaming the United States and its Allies for failure to reach agreement on disarmament.

After negotiations were resumed in November 1961, the Soviet Union reversed all its previous positions and introduced a completely new proposal for an uncontrolled treaty. When it became clear that the Soviet Union was not willing to negotiate on the basis of a treaty with international controls, the United States and the United Kingdor offered, in January 1962, to transfer the test-ban negotiations to the forthcoming 18-nation Conference on Disarmament and to set up a tripartite subcommittee in that Conference to consider the problem of testing. They made it clear that they were making this proposal only because of the Soviet refusal to negotiate for a controlled treaty. In spite of its previous position, however, the Soviet Union initially rejected the Anglo-American proposal to transfer the negotiations.[5] After the 18-nation Conference convened, it agreed to the establishment of a tripartite subcommittee. As this record shows, this can hardly be characterized as a concession.

2. Principle of international control: On June 14, 1957, the Soviet Union tabled a proposal in the U.N. Disarmament Subcommittee to suspend tests, "if only for a period of 2 or 3 years." Citing American insistence on control as the "main obstacle" to agreement, the Soviet Union asserted that it would agree to control in order to remove this obstacle. It proposed the establishment of an international commission to supervise the test ban and the establishment of control posts on Soviet, American, and British territory and in the Pacific Ocean area.[6] The Soviets rejected a Western counterproposal for an experts meeting to work out a control system on the ground that the West was still linking a test ban with agreement on a nuclear production cutoff.[7]

Both sides accepted the report of the 1958 conference of experts. For 3 years the Soviet Union, though unwilling to accept many control proposals tabled by the United States and the United Kingdom at Geneva, did not question the need for international control in principle. Just before the Soviet Union resumed testing, however, Ambassador Tsarapkin stated that test-ban controls without disarmament would be a "system of espionage" and that the Soviet Union would not agree to any control while the arms race continued.[8]

Immediately after the Soviet Union resumed testing, President Kennedy and Prime Minister Macmillan proposed to Premier Khrushchev a ban on nuclear tests in the atmosphere. The aim of this proposal was to "protect mankind from the increasing hazards from atmospheric pollution and to contribute to the reduction of international tensions." They declared that existing means of detection were adequate and that international controls were not needed for an atmospheric test suspension. At the same time they reaffirmed their desire for a more comprehensive treaty covering other forms of testing.[9]

This was the only American test-ban proposal which did not provide for international controls. It remained open only until September 9, when Premier Khrushchev rejected it.[10] It has not been renewed.

3. Threshold and moratorium: Review of seismic data from the Hardtack series of

[1] "Documents on Disarmament," 1945–59, vol. II, pp. 868–874.
[2] Ibid., pp. 1111–1113.
[3] GEN./DNT/PV. 37, pp. 6, 9.
[4] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 538–542.
[5] Department of State press release 112, Feb. 21, 1962.
[6] "Documents on Disarmament, 1945–59," vol. II, p. 791.
[7] Ibid., pp. 802–803, 853–857.
[8] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 584–585.
[9] Ibid., p. 620.
[10] Ibid., pp. 621-629.

tests (October 1958) showed that the Geneva system was less capable of distinguishing underground explosions from earthquakes than the conference of experts had believed. The United States presented the new seismic data at Geneva on January 5, 1959,[11] and subsequently urged a technical view of the problem of detecting and identifying underground nuclear explosions. This problem was also reviewed by the Berkner Panel, a group of American experts.[12] The Western and Soviet members of technical working group II, finally convened in November 1959, were unable to reach agreement on interpretation of the new data.[13]

Since there then seemed to be no ready way of improving the capabilities of the Geneva control system without insisting on a level of inspection unacceptable to the Soviets, the United States decided to try a new approach. On February 11, 1960, Ambassador Wadsworth proposed a ban on all tests in environments where control was possible under a control system acceptable to all concerned. These environments included the atmosphere, the oceans, and (to the extent possible) outer space. They also covered underground tests above a threshold of seismic magnitude 4.75. Ambassador Wadsworth made it clear that the United States hoped to achieve a comprehensive treaty as soon as this was technologically feasible and that it was planning an experimental seismic research program aimed at the development of improved means of detection and identification.[14]

The Soviet Union, after denouncing the United States for allegedly turning its back on a comprehensive treaty, eventually accepted the 4.75 threshold, and it also proposed a moratorium on tests below the threshold while the research program was being carried out.[15] President Eisenhower and Prime Minister Macmillan announced on March 29 that they would be willing to institute a "voluntary moratorium of agreed duration" on nuclear weapons tests below the threshold, by "unilateral declaration of each of the three powers." [16]

The Soviets agreed that the moratorium could be instituted by parallel declarations. They insisted, however, that it should last for 4 or 5 years and that states should not be automatically released from their obligations even if the research program proved unsuccessful.[17]

The United States and the United Kingdom hoped that the research program would succeed and that it would be possible to reduce or eliminate the threshold when the moratorium expired, but they would not commit themselves in advance to continue the moratorium without knowing what the results of the research program would be. Moreover, the longer the moratorium continued after the completion of the research program, the longer the period of an uncontrolled obligation not to test below the threshold. The United States tabled a definite proposal on the length of the moratorium on September 27, 1960. It then proposed that the moratorium should "become effective, upon the signature of our treaty, for such period as then remains of the 2-year seismic research program, plus a period of 3 months to review the results of that program." [18] Ambassador Dean proposed extension of the moratorium to 3 years on March 21, 1961.[19]

The United States regarded extension of the moratorium as a definite step toward meeting Soviet views on its duration. The Soviet Union nevertheless refused to change its position on this question, and it persistently charged that the United States was plotting to resume tests below the threshold as soon as the moratorium expired. This charge was repeated in the Soviet aide memoire of June 4, 1961.

Ambassador Dean offered two further proposals on the moratorium issue on August 28, 1961. The first proposal called for a review of the results of the research program by a group of scientists from countries represented on the Control Commission. Acting by majority vote, these scientists could recommend changes in the control system and the lowering or abolition of the threshold. The Control Commission, also acting by majority vote, could then formally recommend amendments to the treaty. The second proposal was even more thoroughgoing. It was a suggestion for an immediate reexamination of the Geneva system in order to find ways of immediately lowering or abolishing the threshold.[20] Both proposals were rejected at once by the Soviet Union.

In the March 1962 discussions at the 18 nation conference, the United States indicated that it was now prepared to drop the threshold and to make the treaty comprehensive at the outset. Moreover, it was willing to do this without increasing the annual quota of on-site inspections or the number of control posts on Soviet territory. Under the new American proposal, most on-site inspections would be specifically allocated to seismic areas, and only a few would be assigned to other regions.

4. De facto suspension of tests: On March 31, 1958, just after the completion of a series of nuclear tests, the Supreme Soviet adopted a decree suspending Soviet nuclear tests. The decree stated that the Supreme Soviet was "prompted by the desire to make a practical start toward a general discontinuance of atomic and hydrogen weapons tests" and appealed to other nations to follow suit. If other countries did not do so, the Soviet Union reserved the right to resume testing.[21]

The United States and the United Kingdom refused to cancel their planned tests in response to the Soviet action. On August 22, 1958, immediately after the Conference of Experts had produced an agreed report, President Eisenhower declared that the United States was prepared, unless the Soviet Union resumed testing, to withhold further tests for 1 year after the beginning of negotiations (October 31). The British Government took a similar position.[22]

The Soviet Union attacked the United States and the United Kingdom for their continued testing after the Soviet action of March 31. On August 29 Premier Khrushchev told Pravda that the American and British tests released the Soviet Union from its unilateral obligation.[23] Soviet tests were later resumed and continued until November 3, 1958. After that date both sides refrained from testing.

The Department of State announced on August 26, 1959, that the President had directed extension of the unilateral suspension of American tests to the end of the year. The Department stated that, as far as could be determined, the Soviet Union had conducted no tests since November 3, 1958. It explained that the United States wished to allow "a reasonable time for the negotiations to proceed following their resumption on October 12, 1959." [24] The British Foreign Office also announced on August 27 that the United Kingdom would not resume testing while useful discussions continued at Geneva.[25] Immediately after the American and British statements, the Soviet Government declared that its Council of Ministers had resolved not to resume tests in the Soviet Union if the Western powers did not resume testing.[26]

President Eisenhower, stating that no satisfactory agreement was in sight, said on December 29, 1959, that the voluntary moratorium would expire at the end of the year as scheduled. The United States would then consider itself free to resume testing but would not do so without giving advance notice.[27]

In an address of January 14, 1960, to the Supreme Soviet, Premier Khrushchev reemphasized that the Soviet Government would continue to abide by its pledge not to renew tests unless the Western Powers started testing.[28] Later that year the Soviet Union supported two U.N. General Assembly resolutions urging states participating in the Geneva negotiations to continue their voluntary suspension of tests.[29] The United States abstained on both resolutions. As Assistant Secretary of State Wilcox explained, the United States was "frankly concerned over the possibility that an indefinite extension of the voluntary suspension of nuclear testing may come to be regarded as an acceptable alternative to the achievement of a safeguarded agreement on nuclear testing." [30]

Both in 1959 and in 1960 the General Assembly passed resolutions urging France to refrain from testing.[31] These resolutions were supported by the Soviet Union, which charged from time to time that the French were testing on behalf of their American and British allies. The Soviet delegation at Geneva, however, did not raise the question of French tests until March 21, 1961.[32] On May 15 Ambassador Tsarapkin read into the Conference record a statement by the Soviet Government warning that continuation of French tests might "compel it to resume atomic and hydrogen bomb tests" [33] Although there were no further French tests before it announced resumption of testing, the Soviet Government cited the French testing program as an excuse for its action.[34]

Moscow announced resumption of Soviet tests on August 30. After the third Soviet test, President Kennedy stated on September 5 that the United States would resume tests "in the laboratory and underground, with no fallout." [35] In spite of Soviet rejection of the Anglo-American proposal for a ban on atmospheric tests, and extensive Soviet testing in the atmosphere, the United States conducted no atmospheric tests in 1961. On November 2 the President declared that the

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[11] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 331–334.
[12] See ibid., pp. 335 ff.
[13] See below, pp. 24–25.
[14] "Documents on Disarmament, 1960," pp. 33–39.
[15] Ibid., pp. 72–75.
[16] Ibid., pp. 77–78.
[17] Ibid., pp. 76–77, 83–86.
[18] Ibid, pp. 252–253.
[19] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 468.
[20] Ibid, pp. 568–579.
[21] Documents on Disarmament, 1945–59," vol. II, pp. 978–980.
[22] Ibid., pp. 1111–1114.
[23] Ibid., p. 1119.
[24] Ibid., pp. 1430–1440.
[25] New York Times, Aug. 28, 1959, p. 9.
[26] "Documents or Disarmament, 1945–59," vol., II, pp. 1440–41.
[27] Ibid., pp. 1590–1591.
[28] Ibid., 1960, pp. 5–6.
[29] Ibid., pp. 374–375.
[30] Ibid., p. 370.
[31] Ibid., 1945–59, vol. II, pp. 1546–1547; 1960, p. 375.
[32] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 464–465.
[33] GEN/DNT/PV.305, pp. 11–12.
[34] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 612–613.
[35] Ibid., pp. 620–621.

United States would undertake such tests if they were necessary to "maintain our responsibilities for free world security," and he ordered preparations for atmospheric tests to be made.[36]

At the 16th session of the General Assembly the majority of nations favored an Indian resolution urging a new moratorium on testing while negotiations continued for a controlled test-ban treaty.[37] Passed by a large majority, this resolution was opposed by both the Soviet Union and the United States. The Soviet Union took the position that the test ban should be dealt with in the context of general and complete disarmament. The United States opposed the Indian resolution because it amounted to a return to the kind of uninspected moratorium which the Soviet Union had just violated, and the U.S. representative declared that the United States reserved the right to take necessary measures to preserve its security and the security of its allies.[38] The General Assembly also approved by a large majority an Anglo-American resolution urging renewed negotiations for a test-ban treaty with effective international controls. The renewed efforts to negotiate an effectively controlled treaty with the Soviet Union failed. After careful review by the National Security Council, President Kennedy announced on March 2, 1962, that the United States would conduct atmospheric tests over the Pacific Ocean in the latter part of April unless the Soviet Union agreed to a treaty before that time.[39]

5. Veto: Early in the Conference, the United States and the United Kingdom indicated that they expected most of the decisions of the control organ to be made by majority vote. On November 29, 1958, the Soviet Union attacked the Western position, alleging that it meant that "instead of all questions relating to the carrying out of the agreement on the cessation of nuclear weapon tests being decided unanimously, a method involving the dictatorship of two countries—the United States and the United Kingdom—would be set up in the control organ, thus imposing the will of those States on the Soviet Union." [40] The Soviet delegation later introduced a formal proposal stipulating that all substantive decisions by the Control Commission should include the affirmative votes of the three original parties.[41]

The British had meanwhile proposed that all decisions by the Control Commission should be made by majority vote, "except as otherwise expressly provided." Ambassador Wadsworth replied to Soviet criticisms by pointing out that the Western proposals did not permit either obstruction by one side or domination by the other. At the same time he characterized the Soviet demand for broad veto authority as a proposal to permit obstruction of necessary action.[42]

The problem of a veto on on-site inspections was of crucial importance, since there could be no assurance that States were fulfilling their obligations to refrain from underground nuclear tests unless the international control organization could make on-site inspections of seismic events that could not be positively identified as of natural origin by analysis of data received by the control posts. By demanding an absolute veto of on-site inspectors, however, the Soviet Union was in effect insisting that the Western Powers accept its word concerning unidentified seismic events without any verification procedures.

When Prime Minister Macmillan visited Moscow at the end of February, he informally suggested to Premier Khrushchev the possibility of agreeing in advance on a certain number of on-site inspections to be carried out each year. He did not propose a specific quota, and the Soviets did not immediately accept the British suggestion.

Since there seemed to be no basis for agreement on this vital question, President Eisenhower suggested, in a personal message of April 13, 1959, to Premier Khrushchev, that agreement might initially be limited to tests in the atmosphere below an altitude of 50 kilometers.[43] By thus restricting the scope of coverage of the treaty to the atmosphere, the need for on-site inspections would be eliminated. Premier Khrushchev rejected this proposal but stated that agreement would be possible on the basis of the Macmillan suggestion.[44] In a letter of May 14 to the President, he said that agreement on a definite number of inspections each year would preclude the need of voting and that inspection teams could be sent to the sites of unidentified events at the request of any of the original parties, when readings obtained by control posts provided a basis for suspecting a nuclear explosion.[45]

The Soviet delegation at Geneva tabled a formal proposal for annual inspection quotas on July 9, 1959,[46] but it did not then specify a number. The Soviets consistently took the position that the quota should be a political "compromise" and should not bear any relation to the number of seismic events which would be detected but not identified by the control system. Finally, on July 26, 1960, Ambassador Tsarapkin proposed an annual quota of three on-site inspections.[47] As noted below, this figure was far removed from the number which the United States considered necessary for minimum deterrence against violation.[48]

Compromise solutions or alternative arrangements were found for other items on the Soviet veto list. The agreed amendments article gave the Control Commission the right to recommend amendments by a simple majority. The conference of parties could then adopt them by a two-thirds majority, and they would go into force when ratified by two-thirds of the parties, including the three original parties.[49] This procedure removed the veto from the Commission but preserved it in the final stage of the amendment process.

Another item on the Soviet veto list was that on "treaty violations." The Western Powers had proposed giving the Commission the right to determine formally that the treaty had been violated. Ambassador Tsarapkin charged that the other side might use alleged treaty violations as a political weapon in the cold war. He took the position that the Commission, if it could not agree on the facts after thorough discussion, should simply report to the governments concerned and the U.N.[50] The Western Powers did not press the "treaty violations" question. They tacitly dropped the idea in the 1959 negotiations, and the Soviet Union agreed to eliminate this item from the veto list.[51] The agreed duration article recognized the "inherent right of a party to withdraw and be relieved of obligations hereunder if the provisions of the treaty and its annexes, including those providing for the timely installation and effective operation of the control system, are not being fulfilled and observed." [52] Each government was thus to judge whether the treaty was being faithfully observed. By dropping their proposal for a formal finding of violation, the Western Powers in effect made a move toward agreement.

The United States and the United Kingdom agreed that the three original parties should have a veto in the appointment of the Administrator. They made an attempt to write into the treaty exact language describing his functions. The negotiations on this subject were long and complex, and only partial agreement had been reached by the end of 1960. When negotiations were resumed in the following year, the Soviet Union completely destroyed this by insisting on a tripartite administrative council or "troika."

After initial Soviet resistance it was provisionally agreed on December 11, 1959, that the Administrator should have the power to develop and arrange for the execution of a program of research and development.[53] It was understood, however, that any major revisions in the control system would require treaty amendment, which could not be finally implemented without the unanimous concurrence of the three original parties. Thus, both sides modified their original positions on this question.

The Soviet representative offered on July 16, 1959, to drop the demand for a veto on the location of control posts and the routes for aircraft flights if the treaty contained provisions for determination of these matters by agreement with the host governments.[54] The Western Powers proposed that if a location recommended by the Commission proved unacceptable to the host government, the latter should provide an alternative site which in the judgment of the Commission met the requirements of the system.[55] A Soviet proposal of January 26, 1960, accepted this principle.[56]

Agreement in principle on the siting of control posts did not, however, solve the problem of routes for aircraft flights. That question was exhaustively examined by the Conference in the early months of 1960. The Western Powers finally offered a compromise package proposal: They would agree to the Soviet demand that special aircraft flights must be made over routes laid down in advance if the Soviet Union accepted their proposal that the Administrator should be allowed to select two technical observers for the flights.[57] The Soviet Union, however, still refused to accept the Western proposal for technical observers.

On November 25, 1959, Ambassador Tsarapkin assured the Western delegations that there was no question of enlarging the veto list, and he said that there then remained on it only the items on staffing and the budget.[58] A Soviet package proposal of December 14, 1959, was addressed to these problems. Ambassador Tsarapkin asserted that

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[36] Department of State Bulletin, Nov. 20, 1961, pp. 844–845.

[37] General Assembly resolution 1648 (XVI).

[38] See Ambassador Dean's statement of Nov. 1, 1961, to the First Committee of the General Assembly (A/C.1/PV.1183, pp. 42–56).

[39] White House press release, Mar. 5, 1962.

[40] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 23.

[41] Ibid., pp. 28–29.

[42] GEN/DNT/PV. 23, pp. 4–6.

[43] Ibid., pp. 1392–1393.

[44] Ibid., pp. 1396–1398.

[45] Ibid., pp. 1409–1411.

[46] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 59.

[47] "Documents on Disarmament, 1960," pp. 178–180.

[48] See below, p. 23.

[49] "Documents on Disarmament, 1960," p. 380.

[50] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 42.

[51] GEN/DNT/PV. 105, p. 10.

[52] "Documents on Disarmament, 1960," p. 380.

[53] GEN/DNT/PV. 147, p. 8.

[54] GEN/DNT/PV. 111, p. 5.

[55] GEN/DNT/PV. 153, p. 5.

[56] GEN/DNT/78.

[57] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations, p. 196.

[58] See GEN/DNT/PV. 138, pp. 3–8.

it contained "important concessions" to the Western position. The Soviet Union then offered to agree to the Western proposal for staffing control posts by thirds, provided that the West agreed to subdivide the "third third" of the staff into Western, Communist, and neutral thirds. It also offered to have decisions on an itemized budget made by a two-thirds majority of the Commission. Both the staffing and the budget provisions, however, were contingent on acceptance by the West of the Soviet demand for a Commission composed of three Western states, three Communist states, and one neutral state.[59] As the U.S. representatives pointed out, no decisions on the budget could be taken if the Communist side objected, since a two-thirds majority in a 3–3–1 Commission would be unobtainable in that case.[60] The staffing question is examined below.

In 1959–60 the Conference made substantial progress in overcoming the serious obstacle posed by the Soviet veto demands. The area of agreement thus achieved represented a significant achievement, and the remaining differences might well have been solved if the Soviet Union had shown any desire to find solutions acceptable to both sides. On March 21, 1961, however, the Soviet Union introduced a completely new demand for a tripartite administrative council, or troika, to replace the single Administrator. All decisions in the troika, consisting of one Westerner, one Communist, and one neutral, were to be made on the basis of unanimity.[61] The Soviet Union thus reintroduced at the administrative level the veto demands which it had expressly abandoned in the work of the Control Commission. The Western powers rejected the troika and refused to compromise on the question of a single Administrator.

6. On-site inspections: The 1958 Conference of Experts recognized that it would not be possible, on the basis of data obtained by the control posts, to identify as earthquakes all seismic events. On-site inspection was therefore necessary to ascertain whether unidentified seismic events detected by the control system were really of natural origin.

The United States and the United Kingdom realized from the beginning that on-site inspection of all unidentified seismic events would not be politically or logistically feasible. Article 7 of U.S. draft annex I, tabled December 16, 1958, provided for inspection of all unidentified seismic events with an estimated equivalent yield of 5 kilotons or more, 20 percent of unidentified events below that yield, and any events below that yield that had an "unusually high probability of being of nuclear origin." The events to be inspected were to be selected "on a random basis."[62] As was shown above, the Soviet Union reacted to the U.S. proposals by demanding an absolute veto on on-site inspections.[63]

The 1958 U.S. proposals was based on the assumption that the Geneva system had the capabilities outlined in the report of the conference of experts. The new seismic data obtained from the Hardtack series of tests, however, required a complete review of the whole problem of identifying seismic events. The conference of experts had based their conclusions to a considerable extent on the "sign of first motion" on seismographs, and the new data showed that this sign was much less reliable than had been previously believed. The Soviet members of technical working group II, convened at the end of 1959, did not concur in the American interpretation of the data and held that the Geneva system was still as valid as ever. In the Western view, however, the control system would detect but be unable to identify many times the number of events estimated by the Geneva experts in 1958.

To find a way out of this technical impasse, the United States decided to embark on a seismic research program to improve the capabilities of the system. Moreover, in an attempt to get agreement on a level of on-site inspections that might be acceptable to the Soviets and still provide adequate deterrence against violation, the United States introduced its phased treaty proposal of February 11, 1960, which did not cover underground tests below a threshold of seismic magnitude 4.75. When he introduced this proposal, Ambassador Wadsworth stated that either of two formulas could be used for computing the number of unidentified events above the threshold that should be inspected: (1) 20 percent of all unidentified events located by the system, or (2) 30 percent of all events left unidentified after U.S. criteria had been applied. Since the United States estimated that there would be about 100 unidentified seismic events above the threshold in the Soviet Union each year, about 20 on-site inspections would be required under either formula.[64] The United States was also willing to agree on a flat figure of 20 inspections.

In the 1961 negotiations, after Ambassador Tsarapkin had charged the Western powers with greatly overestimating the number of unidentified seismic events that would take place each year in Soviet territory, the United States proposed a "sliding scale" to cover this eventuality. The maximum would remain at 20, but if the number of located seismic events did not rise above 60 in a given year, only 12 inspections would take place. There would be a right to conduct one additional inspection for each five unidentified events above 60.[65]

The Soviet Union rejected all the Western proposals for an inspection quota, and offered in return only three veto-free inspections a year. This represented a change in the original Soviet position of demanding a veto on all inspections, but the Western powers regarded the proposed figure as entirely inadequate.

On the question of technical criteria of eligibility for inspection of unidentified seismic events, the Soviet Union made a move toward the Western position on February 16, 1960, when it proposed criteria based in part on the recommendations of the American members of Technical Working Group II,[66] and it later accepted an American amendment clarifying the foreshock criterion.[67] The Western powers felt, however, that the Soviet criteria contained two potential loopholes: (1) They required an event, in order to be eligible for inspection, to be precisely located within an area of 200 square kilometers, and (2) they referred to "suspicious" events—a term not used in the Western proposals.[68] All attempts to persuade the Soviets to alter the language of their proposal in order to eliminate these possible loopholes are unsuccessful.

In March 1962 the United States offered to abolish the threshold and make the treaty comprehensive from the outset, without raising the number of onsite inspections it had previously proposed. As Secretary of State Rusk explained to the 18th nation Conference on March 23, 1962, these moves were made possible by "increased experience and increased scientific knowledge." At the same time the United States suggested that the quota of inspections could be so allocated that most inspections would be conducted in highly seismic areas and only a few would be permitted in the heart of the Soviet Union, which is virtually aseismic.

7. Technical working groups: During the course of the conference, the Soviet Union accepted Western proposals for three technical working groups. Only one of these resulted in substantial agreement. Of the others, one produced radical disagreement between the Western and Soviet experts; and the other resulted in a technical understanding which was repudiated by the Soviet Union at the political level.

The 1958 conference of experts did not recommend a control system for the detection and identification of tests in outer space or at high altitudes in the earth's atmosphere. In the summer of 1960 the Soviet Union, in response to repeated Western proposals, agreed to participate in a special technical working group on these problems. The agreed report of this group, dated July 10, 1959, recommended the launching of earth and solar satellites and the installation of certain additional equipment at ground stations, to detect and identify high-altitude tests.[69] In the 1961 negotiations the United States submitted concrete proposals based on the report of this group,[70] and these were accepted by the Soviet Union.[71]

On the other hand, technical working group II on seismic problems was almost a total failure. On January 5, 1959, the United States had tabled the new seismic data obtained from the Hardtack tests.[72] The Western Powers had repeatedly urged the need for review of these data by an international group of experts. Since the data cast grave doubt on the capability of the Geneva system to identify seismic events, such a review was urgently needed in order to enable the political Conference to deal with the problem of underground testing. The Soviet Union did not agree to set up the group until November. Agreement was reached only on a few minor technical improvements in the equipment of control posts. The Soviet experts, apparently responding to political direction by their Government, refused to accept the Western interpretation of the Hardtack data and argued that the Geneva system was still as valid as ever. The American and British experts submitted separate reports in which they showed that the sign of first motion and other criteria relied on by the 1958 conference of experts were much less valid than had been supposed and that the capability of the Geneva system was greatly reduced.[73]

The problem of identifying underground explosions remained unsolved. On February 11, 1960, the United States proposed a treaty banning underground tests above a threshold of seismic magnitude 4.75, and it invited the Soviet Union to join in a research program to improve the capabilities of the control system to permit eventual lowering or abolition of the threshold.[74] The Soviet Union responded by proposing a moratorium on tests below the threshold

[59] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 377–384.

[60] GEN/DNT/PV. 148, p. 17.

[61] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 462–463.

[62] Ibid., p. 325.

[63] See above.

[64] "Documents on Disarmament, 1960," pp. 37–39.

[65] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 537–538.

[66] "Documents on Disarmament, 1960," pp. 42–44.

[67] GEN/DNT/PV. 205, pp. 6, 14.

[68] See Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 107–108, 236–241.

[69] Ibid., pp. 367–375.

[70] GEN/DNT/PV,280, pp. 3–7.

[71] See GEN/DNT/PV,282, pp. 3 ff.

[72] Geneva Conference on the Discontinuance of Nuclear Weapons Tests: "History and Analysis of Negotiations," pp. 331–334.

[73] Ibid., pp. 384 ff.

[74] "Documents on Disarmament, 1960," pp. 36–37.

and it agreed to participate in a coordinated research program.[75]

A seismic research program advisory group was convened in May to discuss the research program. In the course of its meetings, the scientists of the United States, the Soviet Union, and the United Kingdom discussed various research projects, and the Soviet experts indicated that they regarded nuclear exposions as technically useful for research purposes. The Soviet position was reversed, however, on May 27, 1960, when Ambassador Tsarapkin declared that the Geneva system was still valid and that the Soviet Union saw no need for conducting any research nuclear explosions. At the same time, he demanded full participation by Soviet scientists in the American program.[76]

8. Seismic research program: After the refusal of the Soviet Union to participate in a coordinated program, the United States continued with its own plans. Although the Soviet Union claimed that the program was unnecessary, it was willing for the United States to carry it out. At the same time, it expressed great concern that the United States might use the program as a cover for nuclear weapons tests.

In an effort to allay Soviet concern on this score, Ambassador Wadsworth proposed on June 2, 1960, that the nuclear devices to be used in the program should be placed in a special repository (the "black box") under international supervision until use, that no diagnostic instrumentation be permitted near the site of detonation, and that all yield measurements be made under the surveillance of other parties.[77] Ambassador Tsarapkin rejected these proposed safeguards as "fictitious" and demanded full participation by Soviet scientists and the right to examine the interior structure of all nuclear devices used. He warned that the Soviet Union would regard any research nuclear explosions conducted without agreed safeguards as weapons tests and that the Soviet Union would resume weapons testing in that event.[78]

On July 12 Ambassador Wadsworth offered a new proposal. He then suggested that the three nuclear powers pool a number of obsolete nuclear devices for use in the program and keep them under surveillance until use. Representatives of the three powers would be allowed to examine the internal structure of the devices, and the President was prepared to request revision of the Atomic Energy Act for this purpose, if the Soviets agreed to the proposal.[79] The Soviet Union was unwilling to contribute any nuclear devices to the proposed pool and reiterated its previous demands.[80]

As part of a group of compromise offers, Ambassador Dean stated on March 21, 1961, that the United States was now willing to accept the Soviet demand for internal inspection of the nuclear devices used in the research program and that the President was willing to request revision of U.S. legislation to permit this if agreement on other treaty provisions was in sight.[81]

The Soviet Union accepted the new American proposal, which substantially embodied its own previous "safeguards" demands.[82] But it still opposed any research on "decoupling," i.e., the muffling of deep underground explosions, with the argument that such research was designed to find ways of evading the treaty.[83]

9. Peaceful-uses nuclear explosions: From the beginning of the negotiations, the United States advocated treaty provisions permitting nuclear explosions for peaceful purposes under proper safeguards. To provide assurance that such explosions would not be used as a cover for weapons tests, Ambassador Wadsworth tabled the "black box" proposal on January 30, 1959. This proposal provided that nuclear devices to be used for peaceful purposes should be placed in a depository on or before the date the treaty was signed and kept under continuous surveillance until used. The devices placed in the "black box" were not subject to internal inspection, but any other devices used for peaceful purposes could be inspected internally by representatives of the original parties.[84]

The Soviet Union rejected the "black box" proposal. It initially took the position that all nuclear explosions, even those conducted for peaceful purposes, should be banned. It later agreed that some explosions could be conducted, if the other side was given the right to inspect the internal structure of the devices used. It also demanded absolute parity between the two sides in the number of peaceful nuclear explosions.[85]

On March 21, 1961, the United States offered to accept examination of the internal structure of devices used for peaceful explosions, provided agreement on other treaty provisions was forthcoming.[86] The Soviet Union professed to be satisfied with these safeguards but still insisted on parity in the number of peaceful explosions.[87] The United States did not accept the Soviet demand for a one-for-one correspondence between Western and Soviet explosions. As Ambassador Dean pointed out, this might mean that after the first American explosion, the United States might not be able to carry out a second until the Soviet Union had followed suit.[88]

10. Composition of the Control Commission: The conference early agreed that the Control Commission should consist of the United States, the United Kingdom, the Soviet Union, and four states elected by the conference of parties.[89] On February 11, 1959, Ambassador Tsarapkin demanded that the elective seats should be so distributed as to give the Soviet Union and its allies "parity" with the Western powers. This meant that the Soviet Union was proposing a Control Comission consisting of three Western states, three Communist states, and one neutral state.[90] The United States did not accept this proposal. On March 2, Ambassador Wadsworth offered, if the Soviet Union dropped its veto demand, to agree to a Control Commission consisting of three Western, two Communist, and two neutral states.[91] The Soviet Union, however, continued to insist on parity.

When the negotiations were resumed on March 21, 1961, Ambassador Dean stated that the United States was now willing to accept the Soviet demand for parity provided agreement was reached on other treaty provisions. He proposed that the Commission be enlarged to 11 members and consist of 4 Western, 4 Communist, and 3 neutral states.[92] This proposal was accepted by the Soviet Union.[93]

11. Administrator: The initial Soviet control proposals, tabled December 8, 1958, contained no provision for an Administrator and provided for operation of the control system by the Control Commission itself.[94] In response to Western arguments, however, the Soviet Union consented to article 3, which provided for an Administrator.[95] During the 1959–60 negotiations it also reached agreement with the United States and the United Kingdom on many of the Administrator's functions. It is true that the Soviet Union showed a persistent desire to restrict the powers of the Administrator in these negotiations, but it did not retract its previous agreement that there should be a single Administrator.

A crucial shift of Soviet policy away from agreement with the Western Powers occurred on March 21, 1961, when Ambassador Tsarapkin introduced a radically new demand for replacement of the Administrator by a tripartite administrative council or troika composed of one Western member, one Communist member, and one neutral member. Since the troika was to operate on the basis of unanimity, the Soviet Union would have a veto on vital operations of the control organization, although it had withdrawn or compromised the items on its list of Control Commission decisions requiring a veto.[96]

The Western Powers felt that the troika demand struck at the heart of the control system and would make effective control impossible. They therefore made no moves toward the Soviet position on this question. They did, however, propose formal treaty language on August 30 giving the Control Commission the right to remove from office any Administrator who was insubordinate, incompetent, or incapable of carrying out his office. They felt that this safeguard should meet any legitimate concern on the part of the Soviet Union that the Administrator might prove partial to the Western side.[97]

12. Deputy Administrators: On December 3, 1959, the Soviet representative proposed the appointment of two Deputy Administrators, one from each side, who were to advise the Administrator on all his activities.[98] This proposal was unacceptable to the Western Powers. On January 14, 1960, the U.S. representative proposed a single Deputy Administrator, whose appointment was to be subject to the veto in the Control Commission, and who would act as Administrator if necessary.[99] The Soviet Union rejected this proposal and countered with a proposal for three Deputies—one Westerner, one Communist, and one neutral.[1] The Western representatives refused to accept this forerunner of the troika.

Later in 1960 the British representative proposed a plan for five Deputies. The First Deputy, chosen by the Control Commission with the concurrent votes of the three original parties, would replace the Administrator if the latter should be absent or incapacitated. The other four Deputies, equally divided between the two sides, would be chosen by the Administrator.[2] The Soviet Union accepted the British compromise on the

[75] Ibid., p. 75.
[76] GEN/DNT/PV.206, pp. 7–9. On the Soviet "safeguards" for U.S. research nuclear explosions, see below.
[77] "Documents on Disarmament, 1960," pp. 112–118.
[78] Ibid, pp. 124–125.
[79] Ibid., pp. 150–152.
[80] Ibid., pp. 185–187.
[81] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 468.
[82] GEN/DNT/PV.283.
[83] GEN/DNT/PV.280, pp. 10–11.
[84] GEN/DNT/PV.46, pp. 8–10.
[85] GEN/DNT/32, Feb. 23, 1959.
[86] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 469.
[87] GEN/DNT/PV. 282, pp. 9–10; GEN/DNT/PV. 284, p. 8.
[88] GEN/DNT/PV. 287, p. 5.
[89] "Documents on Disarmament, 1960," p. 377.
[90] GEN/DNT/PV. 52, p. 20.
[91] GEN/DNT/PV. 65, pp. 3–5.
[92] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 472–474.
[93] GEN/DNT/PV. 286/Rev. 1, p. 8.
[94] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 315–322.
[95] Ibid., p. 438.
[96] Ibid., pp. 462–463. For the Soviet veto list, see above, pp. 16 ff.
[97] Ibid., pp. 593–594.
[98] GEN/DNT/PV. 141, pp. 10–11; GEN/DNT/PV. 142, pp. 17–18.
[99] GEN/DNT/ 76, Jan. 14, 1960.
[1] GEN/DNT/PV. 195, p. 10.
[2] GEN/DNT/PV. 223, pp. 4–7.

number of Deputies,[3] and the United States also concurred. The United States, however, did not commit itself to the proposition that the First Deputy would necessarily have to be a neutral, as the British and Soviet representatives stated.[4]

The Conference remained split on the method of appointing the deputies. It was agreed that the Control Commission should appoint the first deputy, but the Soviet Union refused to agree that the other four should be named by the Administrator. It rejected a British compromise of October 20, 1960, to have all five chosen by the Administrator with the approval of the Control Commission.[5]

Soviet acceptance of the original British compromise on the number of deputies was withdrawn when the Soviet Union introduced its demand for a "troika" to replace the Administrator.[6]

13. Headquarters staffing: At the beginning of the Conference the Western Powers took the position that the headquarters staff of the control organization should be chosen on a purely international basis.[7] The Soviet Union, on the other hand, proposed selection on the basis of parity between the two sides, i.e., one-half would come from the United States or the United Kingdom and the other half from the Soviet Union.[8]

In an effort to reach agreement on this question, Ambassador Wadsworth proposed on March 5, 1959, that the headquarters staff be divided into thirds: one-third from the United States and the United Kingdom, one-third from the Soviet Union, and one-third from other countries.[9] In its package proposal of December 14, 1959, the Soviet Union accepted the thirds formula but insisted that the last third should be equally subdivided among Western allies, Soviet allies, and neutrals.[10] As noted below, the Soviet Union rejected a 1961 Western compromise on the "third third."

When the Western Powers proposed their compromise on the five Deputy Administrators, they also agreed that the assistants to the four deputies chosen from the two sides should come from the other side than the deputies themselves, i.e., if a deputy was in American or British national, his assistant would be a Soviet national. In this way they met the Soviet demand for parity in the top echelons of the headquarters organization.

14. Staffing on control posts: Starting from diametrically opposed positions, both sides made considerable moves toward agreement on the staffing of control posts. The United States and the United Kingdom proposed at the beginning of negotiations that the staff be selected on an entirely "international" basis, except that no host-country nationals should be included.[11] The Soviet Union, on the other hand, proposed that the control posts be manned entirely by host-country nationals plus one control officer from the other side.[12]

After the Soviet Union had shown some willingness to raise the number of foreigners at control posts, the Western Powers proposed on July 20, 1959, to recruit the staff in equal thirds from the United States and the United Kingdom, the Soviet Union, and other countries.[13] They thus accepted the Soviet contention that host-country personnel should participate.

The Soviet package proposal of December 14, 1959, accepted the thirds formula for staffing control posts but stipulated that the "third third" should be subdivided among Western allies, Soviet allies, and neutrals.[14]

The Western Powers did not accept the Soviet formula for exact subdivision of the third third but offered various compromises to assure the Soviet Union that its legitimate interests would not be prejudiced. On March 28, 1961, Ambassador Dean proposed a treaty provision requiring the Administrator "to keep a numerical balance within the 'third third' between the U.S.S.R. and its associated powers, on the one hand, and the United States and the United Kingdom and their respective associated powers, on the other." The remainder of the third third, if any, would be made up of neutrals.[15] The Soviet Union rejected this compromise on the ground that it was vague, elastic, and gave too much power to the Administrator.[16]

15. Staffing of onsite inspection teams: As in the other staffing questions, there was an initial clash between a Soviet demand for inspection by host-country nationals [17] and a Western proposal for selection on an international basis.[18] But the Western Powers never acceded to Soviet demands for the participation of host country personnel in the teams, even on a partial basis, since they believed that this would be tantamount to self-inspection.

The Soviet Union modified its original demand to the extent of allowing one-half of the personnel of inspection teams to be made up of nationals of the other side.[19] As indicated above, this was not acceptable to the Western Powers. In order to give the Soviet Union additional assurance that the inspection teams would not engage in any improper activities, they proposed on August 30, 1961, to allow up to one-half of the personnel to be recruited from neutral countries.[20] The Soviet Union did not accept this proposal.

16. Number of control posts: U.S. draft annex I, submitted July 21, 1960, proposed 21 control posts on Soviet territory.[21] The Soviet Union refused to accept this figure and argued that it was too high. The controversy involved the technical problem of distributing control posts on the continent of Asia. The total number for the continent had been laid down by the 1958 conference of experts, but the Soviet Union and the Western Powers and conflicting views as to the proper allocation of posts from the Asian allotment. The Soviet Union advanced a counterproposal for only 15 posts on its own territory,[22] a figure which the Western Powers considered too small.

In an effort to reach agreement on this question, the Western Powers offered on March 21, 1961, to reduce the number of control posts on Soviet territory to 19.[23] The Soviet Union refused to modify its previous position and dismissed the Western compromise as a "propaganda trick." [24]

17. Special aircraft flights: The 1958 conference of experts had recommended special aircraft flights in certain cases to intercept clouds suspected of containing radioactive debris from possible nuclear explosions. Both sides agreed that these flights should be carried out by host-country planes and that their routes should generally be selected from those laid down by previous agreement between the host country and the Control Commission. The Western Powers, however, insisted that the observers from the control organization responsible for the technical operation should not come from the host country, while the Soviet Union demanded parity, i.e., one observer from the Soviet Union and one from the Western side. The Western Powers also felt that the flight routes might sometimes require departure from previously agreed routes.

These questions were debated at great length in the early months of 1960. The Western Powers eventually offered to drop their reservation on ad hoc routes, provided that the Soviet Union accepted two foreign (and no host-country) obserevrs on the flights.[25] The Soviet Union rejected the proposal on observers.[26]

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have three editorials relating to this subject, one from the Washington Post and Times Herald and two from the New York Times, printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 8, 1962]

DIFFERENCES AT GENEVA

The Soviet Union's apparent disinterest in the new American test-ban proposals will only deepen the dismay and helplessness already felt by the millions of people, including the Russians, who look to the negotiators at Geneva to express their feelings in treaty form. Mr. Zorin, having heard only a preliminary exposition of the altered American position, has announced that he sees "no great hope" in it.

The Soviet diplomat is so cheerless because, he says, "the United States continues to adhere to old principals which are not acceptable." Presumably, these are the principles of international supervision of control posts and of the right to on site inspection. The Soviet Union equates these with a license for espionage and on that ground continues to reject them both.

Unhappily, the differences at Geneva go beyond the tabled issues. The United States is trying to put its science at the service of both Soviet and American security by making the Project Vela findings the basis of a proposed ban that would be both effective and self-enforcing. No comparable Soviet effort to meet its own or American security needs with technology is visible. Instead, the Soviets have elevated their obsession with espionage to the level of a legitimate preoccupation with national security. This merely compounds the very problem, of mutual distrust, which our control proposals are designed to obviate.

We do not trust the Soviets to abide by a test-ban agreement without built-in policing measures. They do not trust us to use such measures only for their stated purpose. Our distrust flatly exists; it will continue until the Soviets allay it. The Soviet distrust of us, however, would seem subject to diplomatic ingenuity. Surely a set of rules can be devised that would decrease and perhaps eliminate the potential for espionage while

[3] GEN/DNT/PV. 224, pp. 3–4.
[4] GEN/DNT/PV. 225, pp. 3–5.
[5] GEN/DNT/PV. 257, p. 5.
[6] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 463.
[7] See GEN/DNT/21 and GEN/DNT/PV.23, pp. 4–6.
[8] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 317.
[9] GEN/DNT/PV. 68, p. 6.
[10] Geneva Conference on the Discontinuance of Nuclear Weapon Tests"; "History and Analysis of Negotiations," p. 381.
[11] GEN/DNT/21, Dec. 15, 1958.
[12] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 318–319.
[13] Ibid., p. 61.
[14] Ibid., p. 381.
[15] GEN/DNT/PV. 279, p. 8.
[16] GEN/DNT/PV. 295, pp. 11–14.
[17] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 321.
[18] GEN/DNT/21.
[19] GEN/DNT/PV. 215, pp. 11–12.
[20] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," pp. 595–597.
[21] Ibid., p. 436.
[22] GEN/DNT/PV. 241, pp. 12–19.
[23] Geneva Conference on the Discontinuance of Nuclear Weapon Tests: "History and Analysis of Negotiations," p. 471.
[24] GEN/DNT/PV. 288/Rev. 1, p. 9.
[25] DNT/86 and 87, Apr. 13, 1960.
[26] GEN/DNT/PV. 217, pp. 3–5.

at the same time allowing adequate treaty enforcement. The deadly thud of the tests at Novaya Zemlya and Semipalatinsk makes a search for such rules essential.

[From the New York Times, Aug. 11, 1962]

ONE MORE SOVIET "NO"

The Soviets have dealt another damaging blow to the 17-nation Disarmament Conference at Geneva. One day after their categorical rejection of even a minimum of international inspection of possible nuclear test-ban violations on their soil, they now just as categorically reject any international verification of general disarmament within their territory. In doing so they have also rejected the further American concessions designed to meet Soviet objections to unlimited inspection by proposing a sampling technique confined to designated zones that would be expanded only as disarmament progressed.

After 5 months of intermittent debate the Geneva Conference has thus arrived at the same deadlock on the same basic issue that wrecked previous disarmament talks but is crucial to any disarmament agreement—the issue of inspection and control. The Soviets have paid lipservice to international inspection and control, but have evaded any practical steps toward it and have now rejected the very principle of it. And they have done so on the absurd ground that any inspection by foreigners constitutes espionage.

The Soviet plan for total disarmament submitted at Geneva still provides for international inspection of disarmament measures which could be staged for the benefit of guided inspectors in the same manner in which Potemkin, a Russian Governor, staged fake villages for the benefit of his Empress. But even that concession is now in doubt, and in any case the Soviets adamantly reject any verification of any armament they retain or rebuild. On such verification, however, depends the balance of power that now preserves peace.

[From the New York Times]

OUR TEST BAN CONCESSIONS

As the Soviets continue their nuclear test explosions the United States launches a new effort for agreement on a treaty to ban such tests forever. Secretary Rusk has called in Soviet Ambassador Dobrynin to urge more serious consideration of the new American inspection proposals containing important concessions to the Soviet. At the same time Ambassador Dean, who has already outlined these proposals to the Soviet delegate at the 17-nation Disarmament Conference at Geneva, began to lay them before the Conference itself.

The proposals are in line with President Kennedy's statement that scientific advances in detecting underground explosions permit a simpler inspection system with adequate safeguards. Heretofore the United States has called for 180 control posts around the world, as recommended by an East-West scientific conference in Geneva in 1958. Now the United States offers to reduce that number to "around 80." This means that the number of control posts in Soviet Russia would also be reduced to less than half. Furthermore, as a halfway concession to Soviet demands for national self-inspection, these control posts would be manned by nationals of the country in which they were situated.

But the United States continues to insist that these national control posts must be internationally supervised by an appropriate number of on-the-spot inspections to verify instrument readings and the nature of an explosion. That is and remains necessary because, as Ambassador Dean explained, the scientific advance in detection is not matched by a similar advance in identification. Like safeguards are necessary even for atmospheric tests, for which the East-West scientific conference recommended aerial patrols for air sampling. As Secretary Rusk told the Geneva Conference, present air samplings far from the scene are adequate to detect only large and medium nuclear detonations but are not reliable for small atmospheric tests.

But the Soviets continue to oppose international inspection at espionage and see "no great hope" in the new American proposals. The world must judge them accordingly.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials, one from the New York Times and one from the Washington Post and Times-Herald, relating to the current debate on the satellite communications bill, both of which express this Senator's view.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times]

THE DAWDLING SENATE

The small band of Democrats in the Senate opposed to the administration's communications satellite bill appears determined to continue its battle. Although the amount of time these Members have had to express their views has been far greater than that given to any other legislative measure, they threaten a new filibuster, with the obvious intention of talking the communications bill to death. Unless the Senate votes to limit debate, they stand a good chance of getting their way.

The effort to kill the bill by labeling it a giveaway and insisting on Government ownership should be abandoned. There is ample precedent for sharing the fruits of Government research with private industry. Moreover, communications have always been the preserve of private enterprise, with Government in a supervisory role. These principles are part and parcel of the bill, which would promote a pooling of public and private interests in the development of a new communications network.

The art of communications by satellite is still in its infancy, and the administration-endorsed measure, which has already passed the House and won the approval of several Senate committees, should be enacted to facilitate further development. A new filibuster could only delay progress at a critical stage.

Attacks on the bill have had one beneficial effect, that of underlining the need for rigorous policing of the proposed privately owned corporation that will be created to operate the U.S. part of the global communications system. In its present form, the bill contains specific safeguards, and calling attention to potential areas of abuse has served a useful purpose in putting the Federal Communications Commission on notice that these regulations must be effectively enforced to protect the public interest.

The proposals for getting affirmative action on the rest of the administration's legislative program are in sufficient jeopardy without a renewed filibuster. The White House wants action before adjournment on trade expansion, drugs, agriculture, transportation, public works, tax revision and other proposals, yet passage of these measures, which are generally supported by the foes of the communications bill, will be obstructed by any new delay. The legislative program now regarded as politically possible is limited enough. And the liberal Democrats who are waging this battle against the communications satellite bill will be working to impair, however unintentionally, the achievement of even this not wholly satisfactory record of the Congress.

DEBATE AND VOTE

The Senate Foreign Relations Committee may have been unwise in rejecting all the amendments offered to the satellite communications bill. Apparently the committee was determined not to allow even a crumb to go to the liberal Senators who are fighting the bill. This may well have been justified by the testimony which the committee heard in the brief period since the filibuster ended, but a more conciliatory attitude might have eased the problem of bringing debate to an end and passing the bill.

Senator GORE's key amendment provided that the State Department should conduct or supervise negotiations between the proposed satellite communications corporation and foreign governments. It would also have required that "the corporation shall comply with such direction." In our opinion, this language would not essentially change the relations between the Government and the corporation. Full power to speak for the Nation in matters of foreign policy are granted to the President and the State Department by the Constitution, which cannot be altered by a congressional act. It is also noteworthy that the President and Secretary of State are quite satisfied with the present language of the bill. No damage would have been done, however, by tightening up the present language on this point as a means of easing the emotions that have been aroused.

All indications point to passage of the bill by a large majority of the Senate if it can be brought to a vote. It is clear that the group of liberal critics will continue their opposition, and they may succeed in bringing about some improvements in the measure without changing its general direction. Certainly the issues that Senator KEFAUVER, Senator MORSE and others have raised ought to be debated. Mr. KEFAUVER has, for example, asked some pointed questions about the financing of the proposed corporation. Does the bill contain ample safeguards to keep 50 percent of the corporation's stock in the hands of the public? Does it make ample provision for regulation of the satellite corporation in the public interest? The Senate needs to give serious thought to these questions and many other details, but it should do so without a resumption of filibuster tactics.

The issue here is not basically different from many other issues that must be decided by Congress. A small minority favors public ownership of the satellite communications system and a large majority favors private ownership. The only rational course is to debate the merits of both plans and then let the Senate vote. Any other course would play havoc with the administration's legislative program and bring discredit upon the Senate.

LESSONS TO BE LEARNED FROM THE SUGAR GROVE, W. VA., RADIO TELESCOPE CANCELLATION

Mr. HUMPHREY. Mr. President, 3 weeks ago Secretary of Defense McNamara halted all work on the world's largest movable radio telescope, which had been under construction by the U.S. Navy at Sugar Grove, W. Va.

Since that time, I have been interested to note what has and what has not appeared in the public press and elsewhere in the form of comments on this subject.

Regrettably, there has been, with but few exceptions, all too little analysis of the significance of this news.

It is my intention, however, as chairman of the Subcommittee on Reorganization and International Organizations, to help assure such analysis.

It is important, I believe, that our Government try to learn from every experience of this nature as much as can be learned.

Thereby, we may avoid repeating mistakes in the future.

Sizable amounts of taxpayers' funds have been involved. But—as important, or more so—sizable numbers of scarce U.S. scientific and engineering manpower have now seen much of their efforts, unfortunately, go down the drain.

MY COMMENTS IN JULY 1961

My interest in this subject is not new; it is not based on hindsight. It was a year ago on the floor of the Senate that I stated, on July 24, 1961, in an announcement of hearings on "Budgeting for Research and Development":

VARIATION IN COSTS FROM ORIGINAL ESTIMATES

One of the phases which bears study is the variation between, first, original estimates of research and development costs; and second, final actual totals. Consider for example the fact that the Navy Department is building a 600-foot "big dish" radio telescope at Sugar Grove, W. Va. Started in 1958, its initial target date was 1962 and its overall cost was estimated at $80 million; at present its target date is 1964 and its cost may reach $180 million.

The question in our minds is to what extent are these cost and time variations due to first, the inherent problems of unprecedented research and development of fantastic complexity and/or, second, faulty agency and interagency planning. Numerous other Federal agencies are, for example, interested in radio astronomy, such as the National Science Foundation which is 2 years behind on a (doubled in cost) $10 million radio telescope, and the Department of Defense, as a whole which is building still another radio telescope in Puerto Rico. The last named was started in late 1959 with completion scheduled for this summer at a cost of $4.6 million; now it is apparently scheduled for next summer at a cost of $7.6 million.

I added:

CONCLUSION

The Subcommittee on Reorganization and International Organizations is interested in advancing Federal economy and efficiency. It is interested in helping the American taxpayer get $1 worth of value out of every dollar expended. Nine billion dollars for Federal research and development will soon become $10 billion and more. It is our purpose to help make sure that this money is planned to be spent in the soundest possible way.

MY REQUEST FOR SUMMARY OF COSTS

I have now sent a request to Secretary of Defense McNamara for a summary and breakdown as to the total of costs expected to be involved in the Sugar Grove project. It is my intention—very frankly—to send this summary of costs to the General Accounting Office for a test audit.

The Navy has already stated:

As of June 30, 1962, $9,549,733 has been obligated and $41,761,759 expended. The cost to terminate is dependent on results of termination negotiations and disposal actions but is estimated to be in the neighborhood of $85 million.

The Navy has pointed out that some valuable and useful findings did emerge from the project. The investment will produce some good.

But, one would have to wear rose-colored glasses to fail to see the enormous loss involved.

No one knows this better than our able Secretary of Defense—who has so brilliantly installed cost evaluation yardsticks throughout the Department's operation.

Could at least part of Sugar Grove's losses have been saved? It is doubtful that a constructive answer to this question can be given at this time within the Congress, particularly because a veil of military secrecy shrouds much of the chronology in the project.

What we do know is this:

EARMARKS OF A "WHITE ELEPHANT"

First. For a long time, the radio telescope appeared to have many of the earmarks of other research and development projects which turned out to be "white elephants."

There were warnings and hints in many quarters that technological developments; for example, perhaps in space satellites or as regards possible use of lasers had made Sugar Grove's plans completely obsolete.

UNDERESTIMATION OF COSTS

Second. The original cost estimates bore virtually no relationship to the final announced or unannounced estimates. The original cost estimate was $79 million. As of the time of cancellation, that figure jumped to $200 million. Science magazine, in its August 3, 1962, issue, said that this latter figure was "only a guess" and that $300 million might have been the ultimate price.

Third. In our subcommittee's contact with the Defense Department, we have pointed out that there has been a tendency for proponents of R. & D. projects to underestimate costs; in that way, they can get their foot in the door so as to get a project started. Once the project is underway, proponents can justify successive requests for higher and higher ceilings, and Congress will often go along with the requests, rather than "write off" a project.

It is not contended that a deliberate underestimation of costs was made in this particular instance.

One cannot read men's minds.

We have a very high regard for the Office of Naval Research and for the Bureau of Yards and Docks.

I know the sense of dedication of their uniformed and civilian personnel.

I am merely pointing out that there is a disturbing pattern which recurs over and over again in many Department of Defense research and development projects.

THE HAZARDS OF RESEARCH

Research is, by definition, a venture into the unknown. In this instance, research and development were occurring not after one another, but almost simultaneously.

To assume, particularly under such circumstances, that a research source could be infallible or could offer very reliable estimates as to ultimate costs, is to assume the unlikely.

Congress does not seek infallibility. It does seek and have a right to expect candor and good judgment.

Sugar Grove involved unprecedented scientific and engineering problems. No thinking person underestimates the difficulties which the Navy was inevitably going to encounter in so formidable an undertaking into the unknown.

The Defense Department must take research and development risks. An overcautious, low-risk policy would "be just what the Kremlin would enjoy seeing" on our part.

PROBLEMS OF CONTRACT CANCELLATION

Fourth. For several years, the Senate Government Operations Subcommittee has considered problems posed by the cancellation of major research and development projects.

Our subcommittee pointed out—"Coordination of Information on Current Scientific Research and Development Supported by the U.S. Government," committee print, April 17, 1961, page 54—1¼ years ago that, for the 3 fiscal years preceding, a total of $2.1 billion in 14 research and development projects had been canceled prior to termination. This was out of a total of $16.1 billion in research and development obligations for those 3 years. This is a sizable fraction of the total.

We pointed out also that it is inevitable with the rapid pace of science and technology that many research and development projects will not be carried to completion. Indeed, an act of cancellation is often the very best way to conserve the taxpayers' resources. The question is, however: Is the decision to cancel timely; that is, is it made at the right time or too early or too late?

It has been our judgment that, very often, the act of cancellation occurs far later than it should occur. The result is that more money goes down the drain than would have otherwise taken place.

Understandably, there are forces which are "built in" to each project which will resist cancellation. It takes firm counterforces to protect the public interest.

CONCERN OF APPROPRIATIONS COMMITTEES

Fifth. The Senate and House Appropriations Subcommittees have been keenly aware of the problems posed by Sugar Grove. The record reveals the concern expressed by the respective chairmen as to the escalation of costs, year by year. The $135 million ceiling imposed by the Congress on the project reflects that concern.

IMPORTANCE OF SALVAGING INFORMATION

Sixth. The Sugar Grove telescope is dead. The people of the great State of West Virginia are naturally keenly disappointed.

Some good will be salvaged from the Federal investment, fortunately. That good can be maximized if there is thorough exchange of information in the canceled contract and subcontracts.

PROBLEMS OF LONG-RANGE FINANCING

Seventh. The problems represented in research and development financing will persist. One of these problems is how the executive and legislative branches can improve their own machinery for

scrutiny of research and development projects.

Research and development is getting to be more and more of a long-range proposition, as our July 1961 hearings demonstrated. The Congress has proven its willingness to provide funds on a long-range basis. It knows that "stop-and-go" financing of research and development on a year-by-year basis is not wise. But, it also knows that it must continue to guard its powers of the purse and that a long-range "blank check" may mean that executive agencies—particularly one or another military service—will continue to pump money into obsolescent projects.

INTEREST BY EXECUTIVE OFFICE OF PRESIDENT

Eighth. The Director of the Office of Science and Technology and the U.S. Bureau of the Budget are sophisticated enough to know the lessons taught by Sugar Grove. The question is: Will they be firm enough so as to make certain that the lessons do not have to be relearned later on?

As for ourselves, the Committee on Government Operations is under the rules of the Senate, rule XXV, and under Senate Resolution 276, 87th Congress, 2d session, responsible for studies of "interagency coordination, economy, and efficiency." We intend to continue to do our duty.

EXHIBITS

I ask unanimous consent that there be printed at this point in the RECORD—

First. A release on the Secretary of Defense's decision of July 18, 1962.

Second. A chronology of recent actions on the telescope, "picking up" from where a previous summary, which had been presented to the Senate Appropriations Committee, left off.

Third. An article from Business Week of July 28, 1962.

Fourth. An article from Science, published by the American Association for Advancement of Science, August 3, 1962.

There being no objection, the release, chronology, and articles were ordered to be printed in the RECORD, as follows:

[News release from the Department of Defense, July 18, 1962]

NAVAL RADIO RESEARCH STATION CONSTRUCTION HALTED

Work on the 600-foot radio telescope under construction by the U.S. Navy at Sugar Grove, W. Va., has been halted on instruction of the Secretary of Defense.

The Secretary's action followed an intensive study of the potential usefulness of the telescope and a determination that the need originally established in 1954 for classified research in ionospheric physics, space communications, navigation, and radio astronomy has been substantially reduced by major advances in science and technology not foreseen at that time. In addition, design and construction phases of this project have proven to be far more complex than the original cost estimates indicated, and the estimated overall project cost has increased from about $80 million to more than $200 million during the last 4½ years.

Because of this decrease in potential usefulness and the increase in costs, the Secretary of Defense instructed the Secretary of the Navy to issue a stop order on the construction. The project currently is being carried on at the rate of about $1 million a month.

Department of the Navy research activities now being conducted with the 60-foot radio telescope at the same West Virginia site will not be affected by this action.

The Secretary of Defense is consulting with other agencies of Government, including the Department of Commerce, the National Aeronautics and Space Administration, and the National Science Foundation to determine the extent to which the work already accomplished can be modified, adapted, or utilized to contribute to the programs of those agencies.

DEPARTMENT OF THE NAVY SUPPLEMENTAL INFORMATION TO THE STATEMENT FOR THE RECORD OF THE SENATE DEFENSE APPROPRIATION SUBCOMMITTEE HEARING ON MILITARY CONSTRUCTION 1962 PROGRAM JULY 12, 1961, ON NAVAL RADIO RESEARCH STATION, SUGAR GROVE, W. VA.

In fiscal year 1962, Public Law 87–57 authorized and Public Law 87–302 funded $36,600,000 additional for a total project military construction funding of $126,257,000. Public Law 87–302 also placed an overall obligation limitation of $135 million on the project.

Faced with this statutory cost limitation, it was necessary to reduce construction obligations to a minimum and concentrate on design completion in order to obtain more definitive cost estimates than would normally be available in a developmental project of this nature. This approach also assured that obligations would not exceed the statutory limitations.

By October 1961 design efforts had reached a point where a forecast estimate made at that time indicated that overall project cost would probably exceed the statutory limit. As design progressed through the early part of 1962, additional trial estimates confirmed that the cost to complete the project to the requirements laid down would exceed the statutory limitation by a significant amount.

On July 18, 1962, the Secretary of Defense announced his decision to stop further work on the project as a result of an intensive review of potential uses. This review indicated that major advances in science and technology not foreseen when the project was first established have reached the stage where many functions of the project can now be achieved at less cost by other means. In addition, design and construction phases of the project have proved to be a far more complex enterprise than the original cost estimates indicated with a consequent increase in estimated overall project cost from about $80 million to more than $200 million during the past 4½ years.

Pursuant to the decision by the Secretary of Defense, action is being taken to terminate the project in an orderly manner as rapidly as possible.

As of June 30, 1962, $95,549,733 has been obligated and $41,761,759 expended. The cost to terminate is dependent on results of termination negotiations and disposal actions but is estimated to be in the neighborhood of $85 million.

Design is approximately 70-percent complete. At the site, in addition to work previously completed, 12 aluminum reflector panels (50 feet by 50 feet) are in storage with 6 others in various stages of assembly. The structural shell of the underground laboratory operations building has been completed. The 15,000-kilovolt-ampere powerplant is nearly complete. A 25-mile, 6-inch gas service line to this plant has been installed. Off site in various plants, developmental engineering and production of several of the major control systems for the instrument have been underway for the past 2 years and are in various stages of completion.

Engineering design drawings, specifications, and calculations including computer programs, control systems, and prototypes will be summarized, cataloged, packaged, and stored for future use as required. Achievements of this type which may have future application include:

1. New and refined methods for analyzing wind effects on large structures.
2. New methods of analyzing stresses, deflections, and motions in large and complex structures by use of mathematical models adopted to solutions by computers.
3. New knowledge of the behavior of metals especially fatigue deformation under high local loadings.
4. An advanced understanding of the causes and means of preventing brittle fracture in alloy steels.
5. The use of coke backfill around an underground laboratory as a means of absorbing undesired radio frequency energy.
6. Development of eddy current clutch systems 10 times larger than industry had previously been able to achieve.
7. Use of the dry lubricant capability of Teflon in large precision bearings.

The Office of the Secretary of Defense is consulting with other agencies of the Government to determine the extent to which the work already accomplished might contribute to the program of these agencies.

[From Business Week, July 28, 1962]

BIGGEST RESEARCH WHITE ELEPHANT?

Spiraling costs, construction delays, and advancing technology last week rang down the curtain on the Navy's "big dish" radio telescope at Sugar Grove, W. Va. Defense Secretary Robert S. McNamara gave the order to end the multimillion-dollar program—which had been plagued by controversy, rising costs, and confusion since it was first conceived.

In calling a halt to operations, Secretary McNamara said the need for the radio telescope had been "substantially reduced by major advances in science and technology." These advances are primarily the emergence of U.S. satellites capable of collecting Soviet intelligence.

BIG TAB

Since its conception, the estimated cost of Sugar Grove had risen from $79 million to $200 million. Its completion date had been pushed back from mid-1962 to late 1964. To date, the Navy has actually spent $41.8 million on planning construction work—with another $53.7 million obligated to contractors. Congress has voted some $126.2 million and authorized a total expenditure of no more than $135 million for the Sugar Grove facility.

Currently, the Navy is negotiating closeout costs with its contractors and trying to find other Government agencies that may salvage the work already completed. One possibility is the construction of an 85-foot-diameter radio telescope at the Sugar Grove site by the National Aeronautics and Space Administration.

ENGINEERING CHALLENGE

Original plans for the Sugar Grove facility were bold and imaginative. The Navy envisioned a huge 600-foot-diameter radio telescope so sensitive it could reach out 38 billion light-years into space. Weighing some 33,000 tons, it was to have been the world's largest steerable structure.

Delicately balanced on a 116-ton bearing, the telescope was to have tolerances of one four-thousandths of an inch. To minimize noise, all cabling and a laboratory building to service the telescope were to be constructed underground. Plans called for prohibiting aircraft from flying overhead and installing noise suppressors on all electrical equipment.

Officially, the Navy stated the radio telescope was to be used in navigation and communications. Unofficially, however, it was known that the facility was really intended for eavesdropping on Soviet communications

as they were reflected off the moon's relatively smooth surface.

BIRTH TRAUMAS

Controversy surrounded the Sugar Grove project from the start. Conceived in 1954 by the Naval Research Laboratory, it was opposed by many of the Nation's top scientists. When Navy finally started work on the facility in mid-1958 and labeled it as a $60 million radioastronomy facility to be used for scientific purposes, the project came in for scrutiny on Capitol Hill. Under congressional questioning, Navy brass were forced to admit that the scope's main purpose was military, not scientific.

DESIGN SNAFU

Next came design problems. To save time, the Navy decided to do its final designing while construction was in progress, keeping just ahead of the actual construction work. But engineers soon found that the structure's actual weight was running 50 percent over their original estimates. This meant that work had to stop until weight-saving designs were developed.

Dispute over the design of the facility reached its peak in 1960 when the Navy canceled its design contract with Grad, Urbahan & Seelye of New York and gave the job to another New York firm, Ammann & Whitney.

Loyal Navy spokesmen still claim that Sugar Grove was a feasible and scientifically sound research project. It will probably go down in Government annals, however, as one of the United States biggest research white elephants.

NAVY'S BIG DISH: ZOOMING COSTS, REDUCED NEED, BRING END TO PLANS FOR BIGGEST RADIO TELESCOPE

The Defense Department, under prodding from Congressmen who were alarmed at the growing cost, has canceled construction of what was to have been the world's largest movable radio telescope.

The device was originally priced at $79 million, but now, after 4 years and $95 million worth of construction and purchasing orders, the completion cost is estimated at over $200 million; however, it is said that this is only a guess and that $300 million could be the ultimate price. The Defense Department explains that money is a secondary reason for the cancellation. The main reason is that the department has found that it no longer needs the telescope. According to a Defense announcement, the need that was felt when the telescope was conceived in 1954 "has been substantially reduced by major advances in science and technology not foreseen at that time." While the cancellation decision was in the works, spending was held down to $1 million a month, the Department said.

The telescope thus will not bring in any information about the heavens, but its demise has produced some revelations of interesting and odd things here on earth, notably involving the financial never-never land of military research, development, and construction. This is a multibillion area over which Defense Secretary McNamara and his research and development director, Harold Brown, are seeking to establish tight reins; the telescope case suggests the immensity of their tasks, and illustrates the rule that, once born, R. & D. ventures have a way of obstinately hanging onto life and are disposed of only by direst means.

The telescope was a Navy project evolving from research in radioastronomy conducted by the U.S. Naval Research Laboratory. Since it was one of the few space efforts alloted to the Navy, that service, looked upon it with considerable pride and was not at all reluctant to tell the world about the unique and monumental piece of hardware that it was going to construct. Precisely what this hardware was expected to do was a military secret, but it appears that electronic snooping inside the Soviet Union was one of its missions. (The Defense Department announcement referred to "classified research in ionospheric physics, space communications, navigation, and radioastronomy.") Not at all classified were the physical features of the telescope itself, which was to have a reflecting dish 600 feet in diameter, capable of being aimed precisely at any point in space, and constructed to maintain its parabolic configuration under extreme wind and temperature conditions. The reflector was expected to weigh 20,000 tons; the supporting structure, another 10,000 tons. The dish—slightly over 7 acres in area—was to be faced with aluminum panels, 50 feet by 50 feet, secured to hydraulic jacks which were electronically controlled to adjust the position of the panels and thus maintain the desired shape of the surface of the dish. The Navy proudly pointed out that nothing like the telescope had ever been built before.

Although the decision to build the telescope was made in 1954, it was not until 1957 that detailed studies actually got underway. A feasibility study that was completed the next year produced the pleasant news that the telescope was possible to put together. The Navy then searched for a site and decided upon the vicinity of Sugar Grove, W. Va., a wooded, sparsely settled area, almost free of manmade electrical interference, a prime requirement for the telescope's site.

Work at the site got underway shortly afterward, although the final designs had not yet been completed. The Navy explained that "due to the known urgent military and research requirements" it was decided to proceed "concurrently with design and construction." Almost at once the telescope encountered a stream of unforeseen and perplexing problems. According to an engineer who headed a major phase of the project, "We had to keep making it heavier to meet the requirements for stability, but every time we increased the weight in one place, we had to increase it in some other, so that the whole thing started to balloon. Every time we made a move we found we needed another thousand tons of steel."

As the weight rose, the costs rose, too, and the Navy found it necessary to go to Congress to explain that the original estimate of $79 million was not being borne out. The first request for additional money, $17.8 million, came in 1960. It was followed last year by a request for an additional $36.6 million, accompanied by assurances that the problems of the big telescope were well in hand. In their account Navy officials attributed their difficulties to the necessity for speed. "The subcontract for steel," they explained, "was awarded in March 1959, in advance of detailed design, based on a calculated assumption as to the size of the main structural members. It soon became apparent that further refinement of these assumptions was necessary before detailed structural design could be completed. As this design refinement proceeded, it became evident that the tonnage of steel required would exceed the original engineering estimate."

The House Appropriations Committee, which was becoming increasingly skeptical of the project, set a $135 million ceiling on the project last summer and demanded that the Defense Department "bring order out of a situation which is rapidly becoming chaotic."

The ceiling, if maintained, actually was a death warrant for the telescope, since it was obvious that even $135 million could not meet the cost. Construction tapered off, and emphasis was placed on design work. (At that point, a considerable amount of construction had already been completed, including a 17,000-cubic-yard concrete foundation, as well as most of the turntable on which the telescope would be placed. In addition, a 550-ton pintle bearing had been installed. Its function was to transfer horizontal wind forces up to 12.7 million pounds from the structure to the foundation. The Navy said it was the largest ever built and cost over $1 million. Also completed were the shell for a 55,000-square-foot underground laboratory, access roads, a 25-mile gas pipeline, and an onsite plant for fabricating the reflector plates.)

While the Navy was tapering off construction, the economically depressed West Virginians were laying plans to make the big dish a tourist attraction, as well as the symbol for the State's centennial next year. To help them, the Area Redevelopment Administration bestowed upon the State its largest grant to date, $1.4 million, to assist in the construction of tourist facilities. The grant came 3 weeks before the Department of Defense canceled the project, and it has been suspended until a decision is made about the remains of the Sugar Grove radiotelescope. The Defense Department says it is looking into whether other Government agencies would like to carry on the project, but as might be expected, no takers have appeared. The Navy, not too long ago, was eager to publicize its giant telescope and even conducted press tours at the site. All inquiries are now referred to information officers who have very little to say.—D. S. GREENBERG

ADDRESS BY FORMER PRESIDENT HOOVER AT DEDICATION OF HOOVER LIBRARY

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a thoughtful speech looking to a more peaceful world by a most distinguished citizen of our country, a former President, Herbert Hoover, on his 88th birthday.

Always forward looking, always practical, he continues to be one who believes in our country's future and the future of a free man wherever he may be and of whatever country he may be a citizen.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

TEXT OF SPEECH BY FORMER PRESIDENT HERBERT HOOVER URGING UNION OF FREE NATIONS

When the Members of the Congress created these Presidential libraries they did a great public service. They made available for research the records of vital periods in American history—and they planted these records in the countryside instead of allowing their concentration on the seaboard.

Already the three libraries of President Roosevelt, President Truman, and President Eisenhower, by their unique documentation, serve this purpose and today we dedicate a fourth—my own.

Within them are thrilling records of supreme action by the American people, their devotion and sacrifice to their ideals.

DIFFERING REMARKS

Santayana rightly said: "Those who do not remember the past are condemned to relive it." These institutions are the repositories of such experience—hot off the griddle.

In these records there are no doubt, unfavorable remarks made by our political opponents, as well as expressions of appreciation and affection by our friends.

We may hope that future students will rely upon our friends. In any event, when they become sleepy they may be awakened

by the lightning flashes of American political humor.

It is exactly 88 years since I first came to Iowa. Since that visit, I have seen much of peoples, of governments, of their institutions, and of human woes. I can count 50 nations with which I had something to do. I was not a tourist; I worked with their people. In my professional years I brought to them American technology with its train of greater productivity and better living. In two wars I served amidst famine. And in the war-shattered aftermath I directed reconstruction in many nations. I have worked with great spiritual leaders and with great statesmen. I have lived under governments of free men, of kings and dictators, and facism and communism.

PRAYERS FOR PEACE

Uppermost in the minds and prayers of the plain people everywhere was that war should cease and that peace would come to the world. They treasured a confidence that America would maintain freedom and that we would cooperate to bring it to all mankind.

During my long years I have participated in many world negotiations, which we hoped, would promote peace. Today we have no peace.

From all this experience and now as the shadows gather around me, I may be permitted to make an observation and to offer a course of action.

Leaders of mankind have for centuries sought some form of organization which would assure lasting peace. The last of many efforts is the United Nations.

The time has come in our national life when we must make a new appraisal of this organization.

UNDER NO ILLUSIONS

But first, let me say that I have, in all my official life believed in a world organization for peace. I supported the League of Nations when it was unpopular. I went down to defeat when, as President, I urged the Senate to join the World Court. I urged the ratification of the United Nations Charter by the Senate. But I stated at that time, "The American people should be under no illusions that the charter assures lasting peace."

But now we must realize that the United Nations has failed to give us even a remote hope of lasting peace. Instead, it adds to the dangers of wars which now surround us.

The disintegrating forces in the United Nations are the Communist nations in its membership.

The Communist leaders, for 40 years, have repeatedly asserted that no peace can come to the world until they have overcome the free nations. One of their fundamental methods of expanding communism over the earth is to provoke conflict, hostility, and hate among other nations. One of the proofs that they have never departed from these ideas is that they have, about 100 times, vetoed proposals in the Security Council which would have lessened international conflict. They daily threaten free nations with war and destruction.

DESTROYED BY COMMUNISTS

In sum, they have destroyed the usefulness of the United Nations to preserve peace.

When Woodrow Wilson launched the League of Nations, he said:

"A steadfast concert for peace can never be maintained except by a partnership of democratic nations. No autocratic government could be trusted to keep faith within it or observe its covenants."

More unity among free nations has been urged by President Truman, President Eisenhower, and President Kennedy. In cooperation with farseeing statesmen in other free nations, five regional treaties or pacts have been set up for mutual defense. And there are bilateral agreements among other free nations to give military support to each other in case of attack. Within these agreements are more than 40 free nations who have pledged themselves to fight against aggression.

COUNCIL OF FREE NATIONS

Today, the menace of communism has become worldwide.

The time is here when, if the free nations are to survive, they must have a new and stronger worldwide organization. For purposes of this discussion I may call it the Council of Free Nations. It should include only those who are willing to stand up and fight for their freedom.

The foundations for this organization have already been laid by the 40 nations who have taken pledges in the 5 regional pacts to support each other against aggression. And there are others who should join.

I do not suggest that the Council of Free Nations replace the United Nations. When the United Nations is prevented from taking action, or if it fails to act to preserve peace, then the Council of Free Nations should step in.

Some may inquire where the offices of such an organization should be. Fortunately, there are ample buildings in the world's most accepted neutral nation. Geneva has been the scene of great accomplishments in peace until poisoned by the Communists and the Fascists.

Although the analogy of the Concert of Europe formed in 1814 is not perfect, yet with much less unity and authority, it fended off world wars for a hundred years.

Some organized council of free nations is in the remaining hope for peace in the world.

Another subject lies heavily on American minds today. Our people are deeply troubled not only about the turbulent world around us but also with internal problems which haunt our days and night. There are many despairing voices. There are many undertones of discouragement. The press headlines imply that corruption, crime, divorce, youthful delinquency, and Hollywood love trysts are our national occupations.

And amid all these voices there is a cry that the American way of life is on its way to decline and fall.

I do not believe it.

Perhaps amid this din of voices and headlines of gloom, I may say something about the inner forces from which come the strengths of America. They assure its future and its continued service to mankind.

IMPACT OF AMERICA

The mightiest assurances of our future are the intangible spiritual and intellectual forces in our people, which we express, not by the words "the United States," but by the word "America." The word "America" carries meanings which lie deep in the soul of our people. It reaches far beyond the size of cities and factories. It springs from our religious faith, our ideals of individual freedom and equal opportunity, which have come in the centuries since we landed on these shores. It rises from our pride in great accomplishments of our Nation and from the sacrifices and devotion of those who have passed on. It lifts us above the ugliness of the day. It has guided us through even greater crises in our past. And from these forces, solutions will come again.

This representative government, with its 186 years of life, has lasted longer than any other republic in history.

If you look about, you will see the steeples of tens of thousands of places of worship. Each week a hundred million people come to reaffirm their faith.

If you will look, you will find that the Bill of Rights is an enforced law of the land; that the dignity of man and equality of opportunity more nearly survive in this land than in any other on earth.

EDUCATION IN FOREFRONT

If you look, you will also find that from our educational system there comes every year a host of stimulated minds. They bring new scientific discoveries, new inventions and new ideas. It is true that they revolutionize our daily lives. But we can steadily adjust ourselves and our Government to them without the assistance of Karl Marx.

I could go on and on reciting the mighty forces in American life which assure its progress and its durability.

Perhaps on this occasion it would not be immodest or inappropriate for me to cite my own life as proof of what America brings to her children.

As a boy of 10, I was taken from this village to the Far West 78 years ago. My only material assets were two dimes in my pocket, the suit of clothes I wore. I had some extra underpinnings provided by loving aunts.

But I carried from here something more precious.

I had a certificate of the fourth or fifth grade of higher learning.

I had a stern grounding of religious faith.

DISCIPLINES OF HARD WORK

I carried with me recollections of a joyous childhood, where the winter snows and the growing crops of Iowa were an especial provision for kids.

And I carried with me the family disciplines of hard work. That included picking potato bugs at 10 cents a hundred. Incidentally, that money was used for the serious purpose of buying firecrackers to applaud the Founding Fathers on each Fourth of July.

And in conclusion, may I say to the boys and girls of America that the doors of opportunity are still open to you. Today the durability of freedom is more secure in America than in any place in the world.

May God bring you even more great blessings.

SONIC BOOMS OVER WISCONSIN

Mr. WILEY. Mr. President, the air age—now speeding ahead with supersonic speeds—brings with it a revolutionary impact both upon civilian transportation and defense.

To take full advantage of the potentials of the air age, there is a need to fully utilize all such potentials: both for service to our civilian population, and for national security.

One of the great nationally disturbing overtones of traveling faster than sound, however, has been the event of sonic booms created by supersonic flight.

We recognize, of course, that when such activities have a widespread impact upon the populace—upon whom the Nation depends for support for defense and other national-scope programs—there is a need to attempt to obtain as great a public understanding and consideration of public interest as possible.

Following the practice of overflying Wisconsin with supersonic aircraft, the people of my State have reported a variety of adverse effects, ranging from disturbance of the peace to real damage of property.

Reflecting upon a problem that exists not only in Wisconsin, but elsewhere in the Nation, I ask unanimous consent to have two items printed at this point in the RECORD: First, an editorial relating to sonic booms by WITI–TV of Milwaukee; and, second, my letter to the

Secretary of the Air Force, urging public hearings in Wisconsin to work out an equitable solution to problems relating to effects of sonic booms upon the populace.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[Editorial No. 131 of WITI-TV, Aug. 3, 1962]

AIR FORCE SHOULD EXPLAIN WHY SONIC BOOMS ARE LOUDER AND MORE FREQUENT

Why are the sonic booms becoming louder? Milwaukee and Wisconsin residents deserve an answer.

There's no doubt about it. They're louder now, these sonic booms over Milwaukee. They're coming with more frequency, and they're more annoying. Few people complained when the Air Force started their supersonic flights in January. And through the months, they accepted the sonic sounds with the understanding that this was necessary; this was needed if we wanted to maintain an alert, ready Strategic Air Command.

They were told by Air Force officials that the large industrial complex of Milwaukee-Chicago-Gary was a potential target should war ever occur. It was necessary for SAC bombers to run continual practice flights over the area with ground-based radar tracking the incoming bombers to determine the success of a simulated attack. Milwaukee people were told a sonic boom, much like a sharp clap of thunder, would result when these B-58's flew faster than the speed of sound. They were told that some slight damage might occur such as breaking windows, shaking up the chinaware, but that no physical injury to any persons was likely.

We in Milwaukee and Wisconsin accepted all this. We were glad that those planes were our planes up there, and their training flights were for the general good of all. But, during the last week or 10 days the sonic booms have become more frequent. They've become louder, much louder with more reverberation. Babies and children are awakened and frightened; older people have become unnerved by these thunder claps that now sound more like tremendous explosions.

Now the people, still trying to be reasonable and understanding about these flights, are asking officials to do something about them. They're not insisting that the Air Force stay out, that all training flights be cancelled. They do want Air Force officials to take a close look, not from their base in Omaha but right here in Milwaukee. We want these questions answered: Why are these sonic booms louder now? Why do all flights have to be at night? Can the noise and the reverberation be minimized in some manner? Milwaukee and Wisconsin people deserve answers to these questions, and they should have them soon.

HON. EUGENE M. ZUCKERT,
Secretary of the Air Force,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to respectfully urge public hearings by the Air Force on sonic booms in Wisconsin along the sonic corridor.

After the establishment of the practice of overflying Milwaukee and other cities with supersonic aircraft, I have received a succession of reports of hazards to health, damage to property, and great citizen irritation over day-and-night sonic booms which disturb the peace of the communities.

Because of these factors, I respectfully suggest that a public hearing in Milwaukee would accomplish the following purposes:

Provide the public with a better understanding of the reasons for overflying metropolitan communities with supersonic aircraft.

Obtain a better knowledge of how the sonic booms are disturbing the community; and in some instances may be creating damage to health and property.

Explore for possible revisions of the overflying policy to serve both the public interest and defense.

With appreciation for the consideration I know you will give this mater, and with kind regards, I remain.

Sincerely,

ALEXANDER WILEY.

Mr. MANSFIELD. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. Under the unanimous consent agreement, all time has expired.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana.

Mr. MANSFIELD. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, yesterday, the Senate resumed consideration of H.R. 11040. As I noted at the time, the Senate had already devoted an extraordinary amount of time to this measure. I have no doubt, Mr. President, that those who have a passionate involvement with this measure could go on for many days more, for weeks. But I would point out to the Senate that we have other legislative chores—the agriculture bill, appropriations bills, a drug control, bill, as several Senators stated on the floor yesterday, and any number of other measures. It is my intention, therefore, to ask the Senate in a moment to entertain a unanimous-consent agreement. It is designed, after a most liberal allowance of time for the exhaustion of final argument on H.R. 11040, to bring the debate to a close and the issue to a vote.

I submit this request, Mr. President, as a last hope that all Members will act as they usually act, with the self-restraint and mutual consideration which permits this body to get on with the business of the Government in spite of strong feelings and controversial issues.

Mr. President, I ask unanimous consent that, on H.R. 11040, debate be limited to 1 hour on each amendment, to be divided equally between proponents and opponents, and that on final passage debate be limited to 8 hours, equally divided between proponents and opponents, with the majority leader controlling the time for the proponents and the Senator from Oregon [Mr. MORSE] controlling the time for the opponents.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

Mr. LONG of Louisiana. Mr. President, I object.

Mr. KEFAUVER. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. KEFAUVER. Mr. President, will the Senator from Louisiana withhold his objection?

The ACTING PRESIDENT pro tempore. Does the Senator from Montana yield?

Mr. MANSFIELD. Mr. President, has there been objection?

The ACTING PRESIDENT pro tempore. Objection has been heard.

Mr. MANSFIELD. Mr. President, I wish to be heard.

The ACTING PRESIDENT pro tempore. The Senator from Montana has the floor.

Mr. KEFAUVER. Mr. President, will the Senator yield for a reservation of objection?

Mr. LONG of Louisiana. Mr. President, will the Senator yield to me for just one moment, with respect to my objection?

Mr. MANSFIELD. I am glad to do so.

Mr. LONG of Louisiana. I wish to say to the Senator, as one of those who are opposing the bill, I am not committed—and I have urged those who are opposing this bill not to commit themselves—to debate of the bill endlessly. We feel that we are making progress in our opposition to the proposed legislation, and we feel we would prejudice our case at this time by agreeing to limit debate. Perhaps we will be willing to consider it at a later time; but, at this time, no.

Mr. MANSFIELD. Mr. President, the Senator has objected. I should like to be heard.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MANSFIELD. Mr. President, the request which the leadership has just made and which, under the rules, has been denied, is, as the Senate knows, the ordinary means of bringing to a close debate on a controversial measure. In refusing the request, opponents of H.R. 11040 have not acted in the usual fashion. But they have, of course, acted within their rights, under the rules.

May I say that not only in this instance but, indeed, throughout the past few weeks the opponents of H.R. 11040 have acted entirely within the rules in prolonging the discussion of this issue. They have demonstrated the enormous protection which is accorded to the rights of every individual Member against a preponderant majority. They have demonstrated how the Senate may tie itself into inaction for prolonged periods under its rules in order to indulge the individual wisdom or whim of each Member. They have demonstrated, finally, what the leadership has been at pains to point out on several occasions in recent weeks: The rational operation of the Senate under its present rules depends on the self-restraint of every Member of this body and on mutual cooperation of the Members with the leadership. I reiterate: The leadership has no special power but the Senate collectively has. The leadership has only certain courtesies which are normally extended by Senators and the Chair.

The leadership operates under the same rules as every other Senator. So if controversial issues are to be resolved in a rational fashion, the leadership can only suggest procedures based upon the same rules which apply to all Members.

The leadership is not unaware of the possibilities of disposing of issues by a test of physical endurance. But the leadership—this leadership—seeks the operation of the Senate by reason.

Therefore, Mr. President, as far as the leadership is concerned, the Senate will proceed on this issue as on any other. We shall arrive at a point where we shall vote for or against this issue or at a point where it is clear beyond any reasonable doubt that the Senate has no intention of reaching that point under a rational application of its rules.

When we reach the kind of parliamentary situation in which we now find ourselves on H.R. 11040, the rules permit of only one rational outlet—only one. Before I propose it, however, I wish to comment on certain remarks which have been made at various times during this debate.

Earlier in the debate, some Senators expressed the view that the treatment accorded the opponents of H.R. 11040 was less considerate than that accorded opponents of the literacy test bill or the poll tax amendment. I do not know whether this view is still held, but Senators are certainly entitled to their opinions. So is the Senator from Montana, who has no apologies for the procedural course which has been followed. As far as the Senator from Montana is concerned, he holds the view that the treatment of the opponents of this measure by the Senate—by the Senate—has been most tolerant, even as it was in the other situations. It is true that the daily sessions of the Senate have on occasion been longer of late and that there has been a Saturday session, indeed as there was on the poll tax amendment.

It is true that unusual procedures were used—unsuccessfully, may I say—in attempting to lay down H.R. 11040. But unusual procedures were also used in connection with bringing up the poll tax amendment and the literacy test measure. It is true that the Senate accorded unanimous consent to the Finance and other committees to meet while the Senate is in session, whereas in the earlier situations it did not. But I would point out that we are coming to the end of this Congress. I would point out that significant elements of the President's program are before the Finance Committee and that we owe the President at least the courtesy of considering these matters before final adjournment.

As I said, Mr. President, Senators are entitled to their opinion. If they are still convinced that they have been put upon by the leadership, I can only assure them that the leadership had no desire to treat with them unfairly. I can assure them, but I do not expect that I can persuade them.

May I say that there has been one significant difference in the procedural situation with regard to the poll tax amendment and the space satellite bill. In the first instance the Senate did indeed engage in a somewhat lengthy debate. But the debate did come to a close by the usual processes. The Senate did eventually vote that constitutional amendment. In the present instance there has been no indication that opponents are prepared to permit this debate to come to a close by such processes despite the extraordinarily lengthy consideration which has already been given to H.R. 11040 and the liberal unanimous consent agreement which was just rejected.

The present procedural situation is very similar to that which existed with respect to the literacy test bill, except for one significant difference which the leadership hopes the Senate will now confront. After prolonged debate on the substance of the literacy test measure, the leadership asked the Senate to invoke cloture. The Senate refused. The leadership asked a second time, and again the Senate refused and passed on to other business.

The leadership was reluctant to suggest to the Senate that it invoke cloture on the literacy test bill. It is equally reluctant to do so now. The leadership always entertains the hope that Members themselves will see that the right of full individual expression by each Member in this body—the right to oppose or uphold any point of view in debate—is tempered by the constitutional responsibility of the Senate as a whole to perform its legislative functions.

But sometimes, Mr. President, passions rise and dedication to a particular point of view becomes so intense as to obscure this interrelationship. To meet this contingency, the Senate has rule XXII, the rule of cloture. It is a rule of equal validity with all other rules. It is an essential part of the present procedural machinery of the Senate, despite the historic reluctance of the Senate to invoke it. The fact is that rule XXII is the only rational way in which a preponderant majority of the Senate—in the last analysis—may restrain individual Senators or a small group of Senators in order that the Senate as a whole may get on with the constitutional business of the Senate.

Mr. President, the leadership does not presume to lecture the Senate now or at any time. But it must point out that the Senator from Montana cannot invoke cloture. The Senator from Illinois cannot invoke cloture. Call them by the exalted names of majority leader and minority leader. Add the adjective "distinguished." Praise them as legislative geniuses or condemn them as legislative incompetents. Call them strong or weak. Call them smart or dull. In the end, each still has but one vote—one for the Senator from Montana, one for the Senator from Illinois. And, Mr. President, two votes are not enough to invoke cloture. It requires, as the Senate knows, two-thirds of the Senators present and voting to invoke cloture. One-third present and voting can reject it.

The leadership was willing to be saddled with responsibility for the Senate's failure to reach a vote in the literacy test measure. It is willing to be saddled with the responsibility in this instance, if the effort to invoke cloture which is about to begin should fail once again. But the Senator from Montana and the Senator from Illinois will cast their two votes—their two votes—for cloture now, as they did then. So beyond the leadership, it is up to every Member of this body to face the responsibility of a vote for or against cloture. With all due respect, a vote against cloture, after the most extensive debate of an issue, would appear to be not an act of virtue. It would appear to be with all due respect, an act of evasion.

In the opinion of the leadership, the Senate did not face its responsibilities in the case of the literacy test measure by its failure to invoke cloture then. It is the hope of the Senator from Montana, which I am sure is shared by the Senator from Illinois, that it will not fail again in the present situation. For if the move for cloture is not successful, the leadership will have no alternative but to acknowledge that the Senate, under its present rules, desires to evade this issue despite the fact that it has had an exceptionally extensive parliamentary consideration.

If the leadership listened to the pleas of those who are loath to face the facts of Senate life under its rules, it would either seek to lay aside H.R. 11040 without further ado and move on to other business, or submit H.R. 11040 to a trial by endurance and recrimination. For, in truth, those are the only alternatives to cloture which present themselves. The leadership prefers, in what it believes to be the long-range interests of the Senate itself and the Nation, to submit the issue to a trial by reason under rule XXII. It is the hope of the leadership that Senators who have understandable reluctance with respect to this rule will consider carefully the alternatives. The one, to move off this measure, is the path of retreat from responsibility. The other—trial by endurance—is the path of ruthlessness, in truth, of cruelty particularly to Members who may not be in the best of physical health at the end of a long and frustrating session, which has already witnessed the death of four Members and the serious illness of others.

May I reiterate that the leadership always has personal reluctance in resorting to rule XXII, preferring that this body proceed on the basis of self-restraint and mutual accommodation. It had this reluctance in the literacy test bill. It has it with respect to H.R. 11040.

But this reluctance the leadership resolves now, as it did then, by proposing that the Senate proceed under rule XXII rather than by the obnoxious alternatives which present themselves. This is the course which the leadership proposes. It will be for the Senate as a whole—as it invariably is—to dispose.

Therefore, Mr. President, on behalf of the minority leader and myself, under rule XXII, I send to the desk a petition for cloture, containing the requisite signatures, and ask that it be read.

Mr. KEFAUVER. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Under the rule the Presiding Officer is required to state the motion to the Senate. If there is no objection, the clerk will read the motion. Is there objection? The Chair hears none, and the clerk will read the motion.

The legislative clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 11040, the communications satellite bill:

MIKE MANSFIELD, EVERETT M. DIRKSEN, THOMAS H. KUCHEL, HUBERT H. HUMPHREY, WARREN G. MAGNUSON, JOHN O. PASTORE, OREN E. LONG, CLIFFORD P. CASE, J. GLENN BEALL, PRESCOTT BUSH, HARRISON WILLIAMS of New Jersey, DENNIS CHAVEZ, KENNETH B. KEATING, HUGH SCOTT, GORDON ALLOTT, E. J. MCCARTHY, BENJAMIN A. SMITH, CLAIR ENGLE, CLAIBORNE PELL, LEE METCALF, STUART SYMINGTON, JENNINGS RANDOLPH, and J. K. JAVITS.

Mr. MANSFIELD. Mr. President, I have been keeping the Senator from Louisiana [Mr. LONG], who has been most kind and courteous and considerate, from taking the floor. I hope that if any questions are directed to me that factor will be kept in mind, because the Senator from Louisiana is due that consideration.

I now yield to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I appreciate that the genial and thoughtful majority leader yields to me for a minute or two.

I believe that attention should be called, in expressing regret that the motion for cloture has been filed, to the fact, in the first place, that those of us who are opposed to the pending bill have been most cooperative and thoughtful in trying to see to it that no important legislation has been blocked from consideration by the Senate. We will be that way in the future.

I call attention also to the fact that on or about June 25 the communications satellite bill was brought up and made the pending business. We had enough Senators who wanted to speak on the matter for a long time, and we could have debated at length the motion to withdraw the satellite bill and to take up some other matter; however, we knew that the bill for an increase in the debt limit had to be passed, for the welfare of the country, and we knew that certain taxes had to be considered, and also knew that certain other important laws were expiring on June 30th. Therefore we did not resist. In fact, we cooperated with the majority leader in setting aside the satellite bill for the purpose of considering these most important bills that had to be passed by June 30.

If we had wanted to be obstinate and if we had wanted to force a proposal that the bill go over until the next session of Congress, we could simply have continued the debate at that time when we had the Senators available, and it would have been necessary for an agreement to have been reached that the bill go over until the next session; otherwise, the Government of the United States might have come to a standstill.

I call the attention of the majority leader to the fact that in late July, when the satellite bill was taken up again, the Senator from Arizona [Mr. HAYDEN] had a continuing resolution for appropriations, which it was absolutely necessary to adopt to meet the payrolls of Federal employees and to continue the spending of money for that purpose. We could have continued to talk at that time and could have objected to bringing up the continuing resolution offered by the chairman of the Committee on Appropriations. Instead, we cooperated and offered no objection when the acting majority leader, the Senator from Minnesota [Mr. HUMPHREY], presented the continuing resolution and when it was passed, a few days before August 1.

We made no objection to meetings of the Finance Committee while the Senate was in session, for the rest of this session, because we realized that the tax bill and other bills were before the Finance Committee. That was not done in the case of other extended debate.

I call attention to the fact that those of us who were in town and who oppose the bill, with the exception of the Senator from Utah [Mr. Moss], who was speaking at the time, had a meeting yesterday afternoon, at which we discussed the question of our strategy. There was no decision made that we would endeavor to talk this bill to death, or only endeavor to talk so long that it would have to go over to the next session. We did feel that there were several Senators who had not had an opportunity to talk on the bill, such as the Senator from North Dakota [Mr. BURDICK], who has been trying to get the floor, and who has some deep convictions about it. The Senator from Texas [Mr. YARBOROUGH] was here last night to talk on the bill. Many other Senators have not had a chance to talk on the bill on its merits. Furthermore, several others of us want to talk further on the bill. We feel that it has not been fully diagnosed.

We know that there are several "sleepers" in the bill which must be pointed out to the American people. There is no decision unduly to debate the bill at any undue length. We do feel that since the bill is so unprecedented and involves matters of great public policy, it ought to be fully diagnosed, and that amendments ought to be offered and debated in due course.

I do not want at this time to point out the ways in which the bill is unprecedented in the history of this country, other than in two aspects. This is the first time that I know of when a corporation has been proposed to be formed with part of it to be a Government part, and the other a private part. This is the first time in the history of our country when the President of the United States has been put in the picture of having a part in the direction of a private corporation.

There is grave doubt as to what the international law is with respect to satellites that go around the earth.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I should like to yield the floor so the Senator from Louisiana [Mr. LONG], who has been waiting to get the floor, may speak.

Mr. KEFAUVER. Will the Senator let me have the floor in my own right?

Mr. MANSFIELD. No; the purpose is to let the Senator from Louisiana have the floor. He very graciously consented to let me go ahead. Insofar as I can do so, I shall see to it that the Senator from Louisiana gets the floor. I yield first, however, to the Senator from Tennessee for a question.

Mr. GORE. I wish to point out to my colleague that the proponents of the bill allege that the President would have power of direction over this corporation. If that were true, as the Senator says, that would be a precedent in American life, and I believe an unfortunate one; but that does not happen to be the case.

The word used in the bill is "supervision," not "direction." I have been unable to find a legal interpretation of "supervision"; indeed, some authorities say that in this context it would have no legal meaning.

Mr. KEFAUVER. I appreciate the comments of my esteemed colleague from Tennessee. The bill provides, for the first time in the history of the Nation, that the President shall help a private corporation; shall foster it. Yet he is to have no control over it. I think that understanding is correct.

I call attention to the fact that the hearings held by the Committee on Foreign Relations were placed on the desks of Senators only yesterday. Not many of us have the good fortune to be members of that committee. I have tried to read some of the testimony, but I have not had a chance to read it all. The Committee on Foreign Relations—both the majority and the minority—have not made a report concerning what took place, and will not, as I understand, until Monday. I think the Senate should have an opportunity to study these great foreign relations and international law questions.

I point out also that, aside from the fact that many of us feel that this proposal is an unwarranted giveaway, it is admitted that the Government—the taxpayers as such—will receive nothing in return for what they have spent, not even a preferred rate. That is not merely a feeling held by several Senators. A great former President, who fights for what he thinks is right, regardless of the consequences, Harry Truman, very definitely has the same feeling.

Mr. DOUGLAS. Mr. President, may we have order in the Chamber?

The ACTING PRESIDENT pro tempore. The Senator from Tennessee will suspend his remarks until the Senate is in order.

The Senator may proceed.

Mr. KEFAUVER. Mr. President, this would be the first time in the history of the United States that one type of carrier would be allowed to control another. It has been a policy, established for more than 100 years, that one type of carrier may not control a competing type. In other words, there are laws providing that the railroads cannot control the shipping lanes, the canals, the barge lines. There are laws to the effect that the railroads cannot control the airlines,

and vice versa. Those laws have been enacted for a very sound reason of public policy; that is, that one type of carrier would not be interested in developing another type, would not be interested in making obsolete its own equipment. What would the railroads do with the airlines? They would not particularly want to develop them. That is natural.

In this instance, we are considering a remarkable new method of communication, different from anything else in the communications field in the history of the world. It ought to be competing with other types of communications carriers. But the bill, breaking all precedents in American history, would turn the new medium over to the very people who now control the other types of transmission. It is most important in all of this consideration that the United States take a big part in the development of the international space communications satellite system. That is of paramount importance. As time goes on, other countries will put up communications satellites.

Under the bill, the Government would be helpless to decide what kind of communications system the United States will have. We know that under the bill, A.T. & T. is committed to a low-orbit system. Suppose in 2 years, as almost everyone thinks will be the case, it is found that in order to have a successful system it will be necessary to have a high-orbit satellite. The President of the United States and the Federal Communications Commission could not make and enforce a decision that this Government should move from one system to the other. Our destiny would be left in the hands of a private corporation.

Mr. MANSFIELD. Mr. President, I should like to have the distinguished Senator from Louisiana [Mr. LONG] receive the recognition which he deserves. Then if he wishes to yield to the Senator from Tennessee, that will be another matter. I hope the Senator from Tennessee will agree to that proposal, because there is an understanding that that will be the case.

Mr. KEFAUVER. If my majority leader wishes me to stop talking——

Mr. MANSFIELD. No; let the Senator from Louisiana get the floor and yield to the Senator from Tennessee, if he so desires.

Mr. President, I yield the floor.

Mr. KEFAUVER. Mr. President, perhaps I could pursue the colloquy later with the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, if there is no objection, I shall be willing to accommodate any Senator. I so announced this morning. If there is no objection on the part of the leadership, I shall be glad to yield for any purpose, provided that I not be taken off the floor.

Mr. MANSFIELD. I should like to see any Senator try to do that.

Mr. SALTONSTALL. Mr. President, will the Senator from Louisiana yield, without losing his right to the floor?

Mr. LONG of Louisiana. Mr. President, I yield to the Senator from Massachusetts provided I do not lose my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, in his statement, the majority leader said that he and the minority leader might be strong or weak, or might be intelligent or dumb. I commend them for being strong and for being intelligent.

I think the Senate has debated this matter almost to the point of absurdity. The bill has been considered by four committees, and has been debated on the floor of the Senate for quite a long time. Every Senator is entitled to his vote. All I ask is that we be given the opportunity to vote. I think there should be free debate. We have the rule of cloture. If the cloture rule is invoked, each Senator will be entitled to 1 hour for debate.

I commend the majority leader and the minority leader for presenting the cloture motion. I shall vote in favor of cloture, because regardless of whether we believe this is the proper solution of the problem, we are entitled to express our opinion. I say this because I believe in what is being done this morning.

Mr. PROXMIRE and Mr. GORE addressed the Chair.

The ACTING PRESIDENT pro tempore. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG of Louisiana. Mr. President, reserving my right to the floor, I yield to the Senator from Wisconsin for a parliamentary inquiry.

Mr. PROXMIRE. Mr. President, for the information of the Senate, when will the vote come on the cloture motion which has just been filed—at what time on what day?

The ACTING PRESIDENT pro tempore. Under the rule, the vote will come 1 hour after the Senate meets on the following calendar day but 1. If the Senate is in session on Monday, the vote will come 1 hour after the Senate convenes on Tuesday.

Mr. PROXMIRE. I thank the Chair.

Mr. MANSFIELD. Mr. President, may I intervene?

Mr. LONG of Louisiana. I yield to the Senator from Montana, provided I do not lose the floor.

Mr. MANSFIELD. I hope that the Senate will agree that when we recess or adjourn tonight, we will convene at 10 o'clock on Monday morning next; and that at the appropriate time, when the debate has been concluded on Monday night, the Senate will convene at 12 o'clock the next day. The leadership will try to arrange the schedule on that basis. I simply wished to raise the possibilities, so that the Senate might be aware of what the schedule will be.

The ACTING PRESIDENT pro tempore. Is the Senator from Montana proposing a unanimous-consent request at this point?

Mr. MANSFIELD. No.

Mr. LONG of Louisiana. I am happy the Senator from Montana is not making that request now, because I should like to consult with other Senators to consider whether we might oppose it.

Mr. President, I now yield to the Senator from Tennessee, without losing my right to the floor.

Mr. GORE. Mr. President, I have heard rumblings and rumors that the pressure is on for cloture absenteeism. In my opinion, the only way the cloture motion can prevail next Tuesday is if Senators who voted against cloture on the civil rights bill should be absent when the vote comes on this motion.

Cloture absenteeism: Let the country keep its eyes open. Let the people know that in order to vest monopolistic control of a vast new and valuable medium of communication, the pressure is on for Senators to be absent when the vote is taken. Absenteeism—cloture absenteeism. If the pressure succeeds, we shall hear the cry "cloture absenteeism" for a long time to come.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I am delighted to yield to my good friend from Florida.

Mr. HOLLAND. I wish the Senator from Tennessee would give me his attention. The Senator from Tennessee has remarked that there is pressure on Senators who have formerly voted against cloture on civil rights measures to absent themselves next Tuesday. I am sure the Senator from Tennessee has no information to that effect with reference to the two Senators from Florida, who have stated quite openly that they expect to be here and to vote for cloture next Tuesday.

Mr. President, so far as I am concerned, I wish to say that I think the distinguished majority leader and the distinguished minority leader would have been weak, instead of strong, if they had not asked for cloture under this situation.

What is it? This matter went first to the Space Committee; and, after exhaustive hearings there, it came out with the affirmative votes of the 15 members of that committee. Second, this matter went to the Committee on Commerce; and, after exhaustive hearings there, it came out with the affirmative votes of 15 of the 17 members of that committee. Third, after two periods of futile filibustering on the floor of the Senate, this matter went to the Foreign Relations Committee; and it came back to the Senate with the affirmative votes of 13 of the 17 members of that committee—meaning that out of the 49 Senators on those 3 committees, only 6 have not been willing to cast affirmative votes for the approval of this important measure.

We have here a measure which not only has had exhaustive hearings, and not only has had almost unanimous support by these three committees—and, Mr. President, let me say that in my brief 16 years of service in the Senate, I do not recall any other measure which has gone to three standing committees of the Senate—but we also have a situation under which the President, the specific expressions of the members of the Cabinet who are affected, and the specific expressions of the members of every branch of the Government which is affected are strongly in support of this measure; and, above all else, Mr. President, we are dealing with a matter on

which we have a chance to move forward in connection with a discovery which is the product of the genius and the industry of our Nation, both the private industry and the scientific members of our National Government, and which has beggared description in its effect, not only upon our own people and upon our friendly neighbors throughout all the earth, but also upon those who are not friendly to us.

So, Mr. President, here we stand, like a boy with a new, shiny toy, who does not know what to do with it, but does not want to let anyone else touch it. I hope the Senate will not permit itself to be put in so ridiculous a position in the eyes of the Nation and in the eyes of the world.

I rise primarily to say that some of the Senators who customarily have voted against cloture in connection with civil rights measures will be voting for cloture in connection with this measure. I also wish to say that I think every Senator would vote for cloture if the pending matter related to a declaration of war under a necessary situation, or to a national defense appropriation under a critical military threat, or to some other necessary measure under situations very close and important to the general welfare of the country.

The question before us, Mr. President, is this: Do we believe the importance of this measure to be such that we should move forward with it and should express the will of the Senate in regard to it? Mr. President, speaking for myself, I say I believe this is such a measure.

After allowing ourselves the approximately 14 days of debate which already have elapsed and the 16 days which will elapse before the vote is taken on the cloture motion, as we near the end of this session and as we near the end of this Congress, I believe we are allowing ourselves to appear ridiculous in the eyes of the world, and, specifically, in the eyes of our Nation; and I believe that Senators who take the opposite position will experience that reaction from their constituency, because I do not believe the average citizen of this country wants to see this body show itself to be supine, futile, and unable to permit the will of a vast majority of its membership, who represent the vast majority of the people of the Nation, to be expressed on a matter as important as this one is.

Mr. GORE. Mr. President——

Mr. KEFAUVER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. Mr. President, I previously yielded to the Senator from Florida, who wished to ask a question of the junior Senator from Tennessee [Mr. GORE]. I yield now to him, and thereafter I shall be glad to yield to the senior Senator from Tennessee.

Mr. GORE. Mr. President, the distinguished senior Senator from Florida has referred to the will of the people with respect to this bill. Perhaps he would like to know of an event of which I am aware. An official of one of the large television networks advised me that the network had cleared 1 hour for debate, one evening during the coming week, by four Senators on this question. He said he had no difficulty in obtaining the acceptance of his invitation by Senators who oppose the bill; but after 2½ days he reported to our group that among the approximately 80 Senators who now favor this bill, he was unable to find 2 Senators who, on television, would go before the American people and defend the bill. Perhaps some will later become willing to do so.

The sentiment against this bill is rising. It was referred to the Space Committee, and was reported by it unanimously. Then it was referred to the Commerce Committee, and two votes were registered there against it. Then it was referred to the Foreign Relations Committee, and four Senators there registered their opposition to the bill.

Mr. President, this is a very, very important bill. Yesterday, only one Senator spoke on the satellite bill. I call attention to the fact that that speech was a very able one. I heard a good deal of it, and that was the first time that Senator had had an opportunity to speak on the bill.

Other Senators who are opposed to the bill have not yet had an opportunity to speak on it. Yesterday evening, one Senator of that group was on his feet, seeking recognition to speak, when the Senate took its recess, until today.

Yet, Mr. President, under these circumstances, although not even one amendment has been voted upon, a cloture petition has been filed.

I seek to offer an amendment which would place in the bill a provision to preserve the primacy of the President of the United States in connection with the negotiation of agreements between our country and other countries.

Last year, when the President sent to Congress his message on this bill, he advised Congress that the executive branch of the Government would either conduct or supervise the negotiations with other countries. And when the administration's bill arrived here, it contained such a provision. But that provision had subsequently been stricken out; and I say to the Senate that there is not now in the bill a provision to prohibit the proposed corporation, if created, from entering with a whole series of foreign countries into secret political agreements which might prejudice the foreign policy of the U.S. Government.

Now a motion for cloture is made. The distinguished senior Senator from Florida [Mr. HOLLAND] advises he will be present and that he will vote for it. This does not surprise the junior Senator from Tennessee. I heard the distinguished senior Senator from Florida make some remarks many days ago which left me with the impression, rightly or wrongly, that he could hardly wait to vote for cloture on this proposal.

No; I would not expect pressure and persuasion to be applied successfully to the senior Senator from Florida to be absent. He will be present, I am sure, and vote for cloture enthusiastically, I am sure, however erroneously, under these circumstances.

I was referring to those Senators who cannot conscientiously vote for cloture. I am referring to those Senators who believe that the U.S. Senate is the last bastion of free debate in the world. I am referring to those Senators who will not vote for cloture on a civil rights matter, and who do not wish to vote for cloture in this instance.

The rumor I hear is that the pressure is on for absenteeism of those who would not vote in favor of cloture.

I wish to make my position plain in that regard. Cloture absenteeism—let the country keep its eyes open. The satellite bill, in my humble opinion, is contrary to the public interest. I feel this deeply. Instead of the Senate's making a spectacle of itself, as some have asserted, I think in this case the Senate is living up to the grand tradition of this body when a small group of Senators, usually referred to as a little band, stand, but stand resolutely, to protect the public interest.

Oh, George W. Norris stood for 15 years to keep the great Muscle Shoals project from being given away. Not one filibuster did he engage in to save this project for the people, but three or four or five. Finally, there was and there is the TVA.

Perhaps that is not a project which the senior Senator from Florida has favored. But look where this Government of ours invites distinguished foreign visitors who come to this country to visit. Almost invariably, their first stop is the Tennessee Valley Authority project.

I also remind the Senate that in World War II, when there hung in the balance control of the air, the one area in the United States that had the necessary supply of power, at the critical time, to provide the aluminum for our airplanes was the Tennessee Valley.

I point our further that at the critical conference with President Roosevelt, when Dr. Einstein had opened up the possibilities of a weapon that would end the war, a courageous decision was made to undertake to build an atomic bomb. There was but one area in America where there was sufficient power to do it. That was the area served by the TVA.

In the case of the TVA, a great resource of national power was saved for the people by a valiant little band of Senators who were willing to filibuster and to take the personal, physical, and political abuse that was heaped upon them, such as is being heaped upon this little band now, in order to prevent this national resource from being given away.

I am proud of the traditions of the Senate. I am proud of this body as a citadel of free debate. I am proud to be associated with a band of Senators, however small it is—may their number grow, and it has grown a little in the last few days—who are willing to take the scathing editorials, who are willing to resist the blandishments and pressures, to fight for the people's interests as we see them and as we earnestly and sincerely believe are involved in this case.

Mr. KEFAUVER and Mr. HOLLAND addressed the Chair.

Mr. LONG of Louisiana. Mr. President, I had agreed to yield to the senior Senator from Tennessee, and I have not been entirely courteous to him. I would like to yield to him at this time, because

when I took the floor I had indicated that I was going to yield to my very able friend, the senior Senator from Tennessee, who is chairman of the Subcommittee on Monopoly and Antitrust. When we look at the committees that considered the bill, that is the only committee where the bill really belonged. It was never sent there for one reason. I think it was known what fate the bill would receive if it ever got to the subcommittee of which the distinguished senior Senator from Tennessee is chairman. The bill has been in every committee except the one where it belongs.

The PRESIDING OFFICER. (Mr. HICKEY in the chair). The Senator from Louisiana yields to the Senator from Tennessee.

Mr. KEFAUVER. May I say to the Senator from Louisiana that we never could get the bill before us. We obliquely got into the matter by having hearings on it even though the bill was not before us. The hearings were convincing that this was the biggest, most gigantic giveaway in the history of the United States. There is no protection for independent businessmen. There is no protection under the antitrust laws.

I was going to comment on the statement of the Senator from Florida that, in case of war, he would have no compunctions against voting for cloture. I would not, either, in a matter of the safety of the United States. But does the Senator from Florida feel that the creation of a monopoly which would carve out the antitrust laws for the purpose of giving away a resource that has been paid for by the taxpayers is on an equality with the threat of war or a great national emergency?

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield to me to make a reply?

Mr. LONG of Louisiana. I yield to the distinguished Senator from Florida with the same understanding.

Mr. HOLLAND. The Senator from Florida does not feel that this matter is on a complete parity, of course, with the matter of cloture as against an immediate need for a declaration of war if our Nation were attacked or with the need for passing a defense appropriation in the event we were in an emergency. The Senator from Florida is simply pointing out that Senators must use some discrimination, some judgment, in the matter of application of cloture; and the Senator from Florida thinks that is one of the things the Senate has frequently failed to do.

The Senator from Florida has voted for cloture before. He voted for cloture when there was an important bill pending in the Senate to provide that the atomic power potentials, which had been created through our genius, be used for peaceful uses.

As in this instance, a small group was trying to prevent the passage of the bill.

Mr. KEFAUVER. And did.

Mr. HOLLAND. The bill was passed with some very considerable amendments.

The point I am making is that every Senator must in his own mind discriminate as between those things which are of sufficient importance to the Nation to require a solution—and an early solution—and those things which in his judgment are not.

Mr. KEFAUVER. Mr. President, will the Senator yield further?

Mr. HOLLAND. I will in a moment.

The Senator from Florida thinks that this is one of those things as to which an overwhelming majority of the Senate should speak. It is a matter which, as I have already said, was subjected—for the first time in my history in the Senate of 16 years—to referrals to three standing committees. It received a favorable vote of 43 of the 49 Members, and the hostile vote of only 6. It involves our prestige and our ability to get further prestige, by deciding, in the judgment of the vast majority, what is the appropriate setup through which we can develop and utilize this important discovery. The Senator from Florida thinks that this is a matter in which a vast majority of the Senate should be allowed to speak. That is his position. That is the reason why, in this second instance, he proposes to vote for cloture.

Mr. KEFAUVER. Mr. President, will the Senator yield to me so that I may ask the Senator from Florida another question?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may do so without prejudice to my rights.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. I am sure the Senator from Florida would want Senators to have an opportunity to express their deep and sincere convictions.

Does not the Senator know that the Senator from Alaska [Mr. BARTLETT] has not had an opportunity to speak on this bill, and wants to speak at length?

Does not the Senator know that the Senator from North Dakota [Mr. BURDICK] was in the Chamber, ready to speak, when it was not possible to get a quorum, and has not had an opportunity to speak?

Does not the Senator know that the Senator from Michigan [Mr. MCNAMARA] is anxious to express himself about this bill and has had no opportunity to speak?

Does not the Senator know that although the Senator from Texas [Mr. YARBOROUGH] was interrupted, when at one time he had the floor for a short time, that the Senator from Texas has a very strong, well-conceived, and persuasive speech which he has had no opportunity to give? The Senator was present last night to deliver his speech and the Senate could not get a quorum. There was no one to hear the Senator.

Would the Senator want to cut off all these distinguished Senators?

Mr. HOLLAND. Mr. President, the Senator from Florida does not want to cut anybody off.

Mr. KEFAUVER. He is doing it.

Mr. HOLLAND. If the Senator will let me make answer, the Senator from Tennessee knows full well that those who have cut off these distinguished Senators are the Senators who, for instance, all day long a week ago last Saturday declined to put in their appearance, so as to have a quorum.

Mr. KEFAUVER. The Senator is mistaken about that. The Vice President himself ordered a quorum. The Senator knows that. He should not misstate the facts.

Mr. HOLLAND. The Senator from Florida never misstates the facts. The Senator from Florida was here to listen to the speech by the distinguished Senator from Oregon, who said she had been waiting all during the time of our obtaining a quorum in the early part of that day, only to hear her again ask for another quorum, without making her speech, prolonging that long display of ineptitude and futility into late in the day of a week ago last Saturday.

Mr. KEFAUVER. The Senator knows what happened.

Mr. HOLLAND. The Senator from Florida was sitting here last night, willing and anxious to hear his distinguished friend from Texas. He noted that the willingness to raise the point of no quorum did not come from the friends of the bill but came from those who are not for it.

If the Senator from Tennessee thinks that there is any way to make Senators stay in the Chamber to listen to arguments with which they are not in sympathy, he is mistaken.

That has happened not only in this debate but also quite frequently. The responsibility for the long delay in the exasperating and frequent calls for a quorum is not on the Senators who favor the bill but instead is on the shoulders of those who oppose it, including the distinguished Senator from Tennessee.

Mr. KEFAUVER. Let me point out to the Senator from Florida that on a week ago last Saturday we did not ask for a live quorum to start the session, but the Vice President said that a quorum had to be obtained.

Does not the Senator feel that if a Senator has an important speech to make he ought to be able to get a majority of Senators here to listen to him? Does not the Senator feel that if the subject has such great importance and such urgency, with respect to the passage of this ridiculous giveaway bill, that Senators ought to be willing to come to the Chamber—at least half of them—and keep the business of the Senate going?

Mr. HOLLAND. The answer to that, Mr. President, would be that not nearly half of the Senators believe in the assumption made by the Senator from Tennessee. All of the Senators, with the exception of some 13 or 14, thereabouts, feel that the bill not only is not a ridiculous bill but also is a necessary bill, and that the ridiculous aspects of this whole matter consist of the display of futility which has been brought on by the long and extended—this is the third instance of it—group of filibusters by the Senators who do not favor passage of the bill.

Mr. LONG of Louisiana. Mr. President, I should like to claim the floor long enough to make a remark or two, since officially I do have the floor.

Mr. HOLLAND. If the Senator will permit me to say one more thing, I should like to complete my answer.

It is true that the Vice President called for the first quorum a week ago last Saturday. He was forced to do that because of the fact that the Senate was not able to get a quorum on the night before.

Mr. KEFAUVER. That was not our fault.

Mr. HOLLAND. It was in part the fault of the distinguished Senators. I repeat again that three Senators who declined to appear all during the day on that Saturday, though they were known to be in town, were among those Senators who are filibustering against this bill.

It is as impossible as can be for the Senator to put the onus on that vast majority of Senators who want the bill to pass and decline to assume the responsibility for this fiasco, which is upon himself and those few who stand with him.

So far as the Senator from Florida is concerned, he makes no criticism of the convictions of Senators. The Senator from Florida merely feels that there is a time, a place, an occasion when the Senate should be allowed to vote on a matter such as the pending one. He thinks this is one of those times.

For this matter to languish since June, when it was first called up, until this date, now in August, is, the Senator from Florida thinks, an unforgivable thing from the standpoint of the unwillingness of the Senate as a whole to come to grips with the problem which involves enormously the prestige of our Nation in all of the world, and which demonstrates a willingness to tie up the Senate on a matter on which the Senator from Florida thinks it should not be tied up but should be allowed to express its will.

Mr. DOUGLAS. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG of Louisiana. Mr. President, if Senators will permit, I wish to claim the floor, to say just a word or two. After that I shall be glad to yield again, if Senators wish to speak.

I wish to say that the best definition of a filibuster which the junior Senator from Louisiana ever heard was that stated by a former Senator from Nevada, the late George Malone, who said, "A filibuster is a long speech with which you disagree. If you agree with it, it is profound debate."

I would say that those of us who are opposing this bill have not done a single thing to filibuster. We have not even begun to do the things which some of us Senators have done, as confederates, fighting civil rights bills. In fact, we have not even made up our minds to conduct a filibuster; but we are trying seriously to beat the bill. We have talked about how far to go and we have tried to determine how best to fight this bill.

I have insisted, with respect to debate, that we ought to debate the bill for a while and then determine whether we are ready to vote, and if so, how soon. We are not ready to enter into a unanimous-consent agreement at this time. I am frank to tell my good friends that when one is asked to enter into a unanimous-consent agreement he must consider the facts as they exist. If he thinks he lacks a majority but he thinks he is making headway in the debate, he would be rather foolish to make a unanimous-consent agreement.

I am going to yield to my good friend from Illinois, who spent more time than I spent discussing the gas bill, and I thought the gas bill was a wonderful bill.

Mr. DOUGLAS. One of the best things the Senator from Illinois has ever done was to help kill that gas bill.

Mr. President, I ask unanimous consent that the Senator from Louisiana may yield to me without losing his right to the floor.

Mr. LONG of Louisiana. Mr. President, I desire to yield on that condition, and I ask unanimous consent that I may so yield without prejudice to my rights to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

The Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, I think the record in this matter needs to be set straight.

Day before yesterday the distinguished majority leader said that the communications satellite bill had been debated by the Senate for 13 days. This morning the distinguished Senator from Florida [Mr. HOLLAND] said that it had been debated by the Senate for 16 days. I think in their arithmetic they included the 8 or 9 days that the matter was before the Senate Committee on Foreign Relations. But during that time there was little or no debate upon the measure before the body of the Senate. So that the actual days of debate before the Senate, in my judgment, have not exceeded 7 or possibly 8 days. During the period in which the bill was being considered by the Foreign Relations Committee, there was time for substantive legislation to be considered by the Senate, although the leadership brought up very minor bills, and, in fact, objection from the Republican side of the aisle prevented the all-important farm bill from being considered.

So I think that to date it cannot be charged that the debate has been excessive in amount.

During the course of the debate I have been struck by the very few affirmative arguments that have been made for the bill. It is true that the distinguished senior Senator from Rhode Island [Mr. PASTORE] did make a very excellent statement, for which he is to be commended. But in the main, the supporters of the bill have contented themselves, as the Senator from Florida has contented himself, with merely saying that the members of the committees favor the bill, and, therefore, we should approve the measure. We have great respect for our committees, but if Senators do not have the right of independent judgment on these questions, I think we might pass a rule that any bill supported by members of a committee should pass without debate. But I do not believe that we should abdicate our functions in that respect at all. I think that the question before the Senate should be considered and considered carefully.

On the question as to who is responsible for holding up measures, the Senator from Florida implies that it has been those opposed to the bill who allegedly have prevented the Senate from functioning. The Senator from Illinois canceled a number of engagements this morning in order to come to the Senate Chamber to help the Senator from Montana get a quorum. When he arrived here, he was informed that it was not the intention to ask for a quorum. I verified that information at the desk from the Parliamentarian. I notice that the Senators who voted yesterday against the tabling motions of the Senator from Montana, and who therefore can be presumed to be somewhat lukewarm on the bill, seem to be present in considerable number. The senior Senator from Tennessee [Mr. KEFAUVER] and the junior Senator from Tennessee [Mr. GORE]—that State has very distinguished Senators—are present. The Senator from Ohio [Mr. YOUNG], who voted against two tabling motions yesterday, is present. The great Senator from Texas [Mr. YARBOROUGH] is present. The Senator from Louisiana [Mr. ELLENDER] is present. The Senator from Illinois has been on the periphery of the controversy and has not come to a final decision on the question. He had looked forward to added debate in which he could explore with other Senators the question as to who should control the corporation.

Mr. MANSFIELD. Mr. President, will the Senator yield to allow me to answer some of his allegations?

Mr. DOUGLAS. When I finish, I shall be very glad to yield.

The Senator from Tennessee inadvertently referred to the corporation as a public-private corporation. I am sure he did not mean that. The corporation would be a private corporation. There would be only 3 directors from the Government and 12 chosen from private industry. The Government would own no stock in the proposed corporation whatsoever. Six of the directors would be named by corporations, not more than three from any one corporation. Then six would be elected by individual stockholders under cumulative voting. But I wish to see that subject explored very thoroughly before the Senator from Illinois can make up his mind as to how he will vote.

I notice that while a majority of those who voted against tabling yesterday are present on the floor of the Senate, there are very few supporters of the measure who have come to the floor of the Senate. I see going out of the Chamber our beloved friend, the senior Senator from California, of the Republican Party.

Mr. KUCHEL. Only for a minute.

Mr. DOUGLAS. I mention the fact that he was present because as I look across to the Republican side of the aisle I do not see a single Senator present. I do see our beloved majority leader, the Senator from Montana [Mr. MANSFIELD] present, and the distinguished Senator from Florida, who has made such a

great appeal for cloture, which I am sure will obtain great support. I am not quite certain where my good friend, the senior Senator from Louisiana [Mr. ELLENDER] stands on the question. We are always happy to have him present. I do not know whether he will be for cloture, against cloture, or an absentee.

Mr. ELLENDER. I am against cloture.

Mr. DOUGLAS. Well, the Senator from Louisiana has an open mind on this question just as does the Senator from Illinois.

Mr. President, I see present those who are opposed to the bill, and those who are in doubt about the bill are also present. I do not see many who favor the bill. We are ready to answer a quorum call, and if the majority leader will approve, I am ready to ask for a quorum, and then we will see who are the absentees.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I will not yield for that purpose. As an accommodation to Senators, whose health needed a little restoration, I promised there would not be a live quorum.

Mr. DOUGLAS. I am ready for a live quorum. I should like to be recorded as being present.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I do not object if the Senator wants it.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I should like to complete my comment, and then I shall yield. I do not object to a live quorum, but I assured the majority leader and the minority leader that I would not ask for it today. I could not yield for that purpose without the concurrence of the majority leader and the minority leader.

I now yield to the Senator from Illinois, so that he may yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I wish to set a number of things straight for the RECORD. The Senator has mentioned that there has not been enough time for debate. The Senator may recall that 2 weeks ago today we had two quorum calls in an attempt to get a quorum. I think we got the necessary 50 within a matter of 10 hours twice. So it was a wasted session. I think the RECORD will bear out that statement.

This morning the majority leader made it a point, insofar as he knew their attitudes, to call all those who were opposed to the bill at their offices and at their homes to request them to be here because there was a possibility of a request being made by the leadership this morning.

At the beginning of the session today I made the following statement:

I wish to comment on my calculations concerning the time spent by the Senate in consideration of the space communications bill. Yesterday, I noted—as is to be found on page 15088 of the RECORD—that this measure had been thoroughly studied by five committees in the Senate, and by one in the House, and had been the subject of well over 3,000 pages of testimony, which took 45 days to present. I wish to make clear, if it was not already so, that these 45 days and 3,000 pages represent a total of the time spent in both the five Senate committees and the single House committee. I may add that the total pages of hearings recited did not include those of the Foreign Relations Committee which are now available and swell the total.

I also said:

I also mentioned that this measure had consumed 308 pages of the RECORD, during 14 days. This figure was incorrect; actually, there had been 308 pages of debate in 12 days on the Senate floor, or 358 pages of debate in 14 days in both the House and Senate. Yesterday's proceeding raised these totals.

Then I made this statement:

I make this statement in order to make sure that the RECORD is clear, and to correct a misstatement which I made yesterday.

Therefore, I hope that the RECORD is clear.

So far as the session of two Saturdays ago is concerned, when there was an attempt made to continue the debate on this subject, it took 5 hours after we had convened that morning to establish a quorum. The question of no quorum was raised again immediately, and it took another 5 hours to get a quorum.

The result was that no business was transacted at that time. I wish to repeat that the leadership tried to call all Members whom it knew to be in opposition to the bill, either at their homes or in their offices, to try to get them to be present at approximately 9 o'clock this morning; furthermore, when the Senate convened this morning the majority leader tried to get a unanimous-consent agreement to have a quorum call, to be called off at the end of 15 minutes, to allow time for Senators in opposition to the bill to be present. I do not know what more we could have done. However, I wished to state for the RECORD answers to the questions that have been raised and that I felt should be answered.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. The Senator from Illinois has the floor under the unanimous-consent agreement that I may yield to him.

Mr. DOUGLAS. I am deeply obliged to our beloved majority leader for the record which he has made. He did call me up this morning, or his office called me. I do not know why he assumed that I was necessarily opposed to the bill. I have taken the position consistently that I am on the fence.

Mr. MANSFIELD. I called those who were opposed or who I thought were in doubt. I did the best I could with the limited knowledge at my disposal.

Mr. DOUGLAS. Those who are opposed or in doubt broke engagements to come to the floor in order to help the majority leader. However, his supporters did not come to the floor. There was no one on the Republican side except the whip and the Senator from Nebraska.

Mr. MANSFIELD. Oh, Mr. President——

Mr. DOUGLAS. He had very few supporters.

Mr. MANSFIELD. I believe it only fair to say that at the time the proposals were raised there were 10 or 15 Members present on the other side of the aisle, and perhaps more.

Mr. KUCHEL. I assure my beloved friend from Illinois that that is the fact. We had an excellent representation on this side.

Mr. DOUGLAS. Was it as good as on two Saturdays ago when even the sponsor of the bill was not on the floor?

Mr. MANSFIELD. Insofar as the meeting which was held two Saturdays ago is concerned, there was a majority of the proponents of the bill present on the floor. There was a noticeable absence of those who were opposed to the bill. I believe the RECORD should show that, and the RECORD will show that.

Mr. DOUGLAS. Let the RECORD show that those who are either opposed or in doubt are here this morning. I am ready to suggest the absence of a quorum, to see who is absent this morning. I am ready to suggest the absence of a quorum.

Mr. LONG of Louisiana. I do not yield for that purpose, because I have made a commitment that a live quorum would not be called. I hope the Senator understands that when one makes a commitment he is bound to honor that commitment.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KEFAUVER. Is it not a fact that on Saturday before last it took 10 hours to get a quorum present?

Mr. HOLLAND. Two quorums.

Mr. KEFAUVER. That would indicate a great apathy on the part of Senators who are supposed to be interested in this giveaway bill; otherwise they would respond to the quorum call.

Mr. DOUGLAS. That is my conclusion. I note that the distinguished senior Senator from Florida made this point many times in connection with civil rights bills. When our Southern friends were calling quorums every 2 hours to get those of us who were in favor of civil rights awake and to answer the quorum call during the night, I heard the Senator from Florida remark, when we came to the Chamber, that this was proof that people did not care about civil rights. If that was true in regard to civil rights, it is true now in connection with the pending bill.

Mr. MANSFIELD. When we spent 10 hours trying to get 50 Members to the floor 2 weeks ago, the distinguished Senator from Tennessee [Mr. GORE] and the distinguished Senator from Oregon [Mrs. NEUBERGER] were present. I will only go that far.

Mr. DOUGLAS. The Senator from Florida [Mr. HOLLAND] has made an impassioned speech in behalf of the institution of cloture. I favored cloture in times past on civil rights questions, and I expect to continue to favor cloture. The Senator from Florida now seems to be also in favor of the institution of cloture. I hope that come January he will vote to change rule XXII, so that a majority of the Senate, after full and free debate, may proceed to consider a pending issue. I was really touched by the Senator's appeal for cloture. I believe his position will make a great

impression in the North; that it will be realized that we are beginning to make inroads in the South, and that southerners are becoming converted to the idea of cloture. Perhaps his conversion will weaken the southerners' resistance to cloture. I will be very much interested in what happens.

I may say that those Senators who will absent themselves on Tuesday, while apparently they will not vote for cloture, they will be voting for cloture nevertheless, in effect, because they will be permitting northern and western advocates of turning this treasure over to the A.T. & T. to put cloture into effect. If they absent themselves, then although they will say, "I did not help to put cloture into effect," they will in reality be casting a half vote for cloture, and in effect the word can go out and will go out that they have all been converted to cloture. This will have a tremendous effect all over the country. It will indicate a weakening of the southern position. It would show that while the southerners will not vote for cloture, they will not vote against it. I believe the lesson will be pretty clear to the whole Nation.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Florida?

Mr. HOLLAND. I was asking the Senator from Louisiana to yield to me.

Mr. LONG of Louisiana. I had yielded to the Senator from Illinois with the understanding that he could yield to Senators. He could yield to the Senator from Florida if the Senator from Florida desired him to do so. Otherwise, I will be happy to yield to him.

Mr. HOLLAND. I will wait until the Senator from Illinois has completed his remarks. Then I will ask the Senator from Louisiana to yield to me.

Mr. DOUGLAS. I will make this proposal, Mr. President, that we broaden the cloture motion of the Senator from Montana so that it will apply to cloture on rule XXII. In that way we can proceed to vote on rule XXII without interminable debate.

I ask unanimous consent that the cloture motion of the Senator from Montana may be so modified as to provide for cloture on rule XXII.

Mr. MANSFIELD. I object. This was not in the agreement between the Senator from Louisiana and the Senator from Illinois. This was settled yesterday.

Mr. LONG of Louisiana. I want to be courteous to all Senators. I expect that every Senator wants to protect his rights. Does the Senator from Illinois wish to continue with his statement, or is he prepared to yield the floor?

Mr. DOUGLAS. I think I am prepared to yield the floor, except I do hope that some parliamentary way can be found to get cloture on rule XXII.

Mr. LONG of Louisiana. In that case I would suggest to my good friend that if he wants to get a civil rights measure voted on, he can submit it as an amendment, and when the cloture petition is voted on, he will have a chance to vote for civil rights by calling up that amendment under the gag rule that the Senator from Florida favors.

Mr. DOUGLAS. In other words, the Senator believes that this is a chance to get civil rights legislation enacted?

Mr. LONG of Louisiana. Of course. That can be done under the gag rule. He can call up a whole bushel of amendments. When the Senate is gagged, it is gagged on everything. He can put in his civil rights amendments and literacy test amendments, and every other kind of amendment he favors.

Mr. DOUGLAS. In other words, what I had merely suggested, now becomes a practicality.

Mr. LONG of Louisiana. The Senator had a real possibility of gagging this body.

Mr. DOUGLAS. I do not wish to gag this body. I believe in full and free debate. But after the debate has proceeded for a given period of time, then I think the Senate should have a chance to vote. At present, the rules do not permit that. I favor changing the rules. But I must say I am still on the fence. I should like to ask questions as to who will control the new corporation.

Mr. GORE. Mr. President, will the Senator from Louisiana yield?

Mr. HOLLAND. Mr. President——

Mr. LONG of Louisiana. Mr. President, who has the floor at this point?

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senator from Louisiana has the floor.

Mr. LONG of Louisiana. Under unanimous consent agreement, I had yielded to the Senator from Illinois, and he has the right to speak until he is ready to yield the floor. I do not wish to take him off the floor before he is ready to yield.

Mr. DOUGLAS. The Senator from Louisiana is very courteous.

Mr. GORE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. I yield to the Senator from Tennessee for a question.

Mr. GORE. Is it not a fact that the three directors whom the senior Senator from Illinois has described as being from the Government would not, in fact, be public directors at all, but would be fiduciary trustees for the stockholders? Once they became directors of the corportation, their responsibilities would be no different from those of any other directors. The only difference would be that they would have been appointed by the President. But the bill does not place any public responsibility upon them. Is it not a fact that they would be fiduciary trustees, and that their responsibility under the law and under the charter of the corporation would be no different from that of the directors nominated by A.T. & T.?

Mr. LONG of Louisiana. The Senator from Tennessee is exactly correct. That question was thoroughly explored before the Committee on Foreign Relations. There is no testimony to the contrary. In other words, unless the law expressly states to the contrary, a director's obligation is to the stockholders. He represents them, and he must act in their best interest. If there should be a conflict between the national interest and the interest of the stockholders, his duty would be to look after the interests of the stockholders rather than the national interest.

The Senator from Tennessee knows that we could not even have an amendment to the bill in this respect considered.

The procedure follows precisely the pattern of the natural gas bill. I wanted to vote for some of the amendments to the natural gas bill when it was before the committee. We were told that we should not amend the bill by so much as dotting an "i," changing a comma, or crossing a "t." We are not even to vote on correcting a grammatical error in the committee bill, because we were told that the President had promised to sign the gas bill, and it was not desired to give him any excuse whatever not to sign it. So we could not change even a grammatical error. The Senator from Tennessee may recall that we would not let a single amendment to the gas bill be voted on.

Oddly enough, when the bill reached the President, although he was committed to it, he called some of his good friends—this is but a rumor—and said, "I hate to do this; I would not want to do this to my best friend; but, in conscience, I just cannot sign it." That President was Harry Truman.

The communications satellite bill is following that exact pattern. We were told that no matter how horrendous, no matter how bad some of its provisions are—and surely the bill is contrary to the national interest—amendments cannot even be considered because we must not risk failure in conference.

Mr. GORE. Mr. President, will the Senator from Louisiana further yield?

Mr. LONG of Louisiana. I yield to the Senator from Tennessee provided I do not lose my right to the floor.

Mr. GORE. Is it not a fact that the Committee on Foreign Relations, following the esprit de corps which the Senator from Louisiana has described, refused to adopt even the amendments which the Secretary of State himself had suggested should be adopted?

Mr. LONG of Louisiana. I was never more amazed in my life, because the acting chairman of the committee, the distinguished Senator from Alabama [Mr. SPARKMAN] came before the committee and suggested amendments which he thought were appropriate to the bill. The Secretary of State said they were good amendments and expressed the hope that they would be adopted. Nevertheless, the Secretary of State was denied his right to have the amendments added to the bill.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. I yield to the Senator from Ohio, provided I do not lose my right to the floor.

Mr. LAUSCHE. Mr. President, I send to the desk two amendments. The first amendment would conform in language to related sections. The amendment is offered on behalf of myself and the distinguished senior Senator from Idaho [Mr. CHURCH]. It is a conforming

amendment which includes reference to international bodies, as is presently the case in section 201(a)(4) and in section 402, where there is reference to any international foreign entity. This conforming amendment was approved by the Secretary of State, as is indicated on page 181 of the hearings of the Committee on Foreign Relations, and in a letter dated August 9, 1962, addressed to the chairman of the Committee on Foreign Relations by the Secretary of State.

Mr. President, I send the amendments to the desk and ask that they be read.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield for that purpose without prejudicing my right to the floor.

The PRESIDING OFFICER. Does the Senator desire to have the amendments read, or does he ask unanimous consent that the reading be dispensed with and that the amendments be printed in the RECORD.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield for the purpose of having the request of the Senator from Ohio granted, without prejudice to the continuation of my speech.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I be allowed to send the amendments to the desk to be read and to be printed in the RECORD.

Mr. LONG of Louisiana. Without prejudicing my rights.

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, will the Chair please state the request?

The PRESIDING OFFICER. The Senator from Ohio, after the floor had been yielded to him by the Senator from Louisiana, asked unanimous consent to submit specific amendments. He further requested that the amendments be read and be printed in the RECORD.

Mr. KUCHEL. Are they amendments to the pending bill?

The PRESIDING OFFICER. The amendments are to the pending measure. Is there objection to the request of the Senator from Ohio?

Mr. KUCHEL. Mr. President, reserving the right to object, may I ask the able Senator from Ohio to explain further the purpose of the amendments?

Mr. LAUSCHE. The amendments are in conformity with a proposal made by the Secretary of State. One amendment will make two sections of the bill consistent and conforming. One section has particular language, and the other section does not have the same language. The purpose of the amendment is to make the language of the two sections conform.

Mr. KUCHEL. Was the amendment considered in the Committee on Foreign Relations, of which the Senator from Ohio is a member?

Mr. LAUSCHE. It was not.

Mr. GORE. Mr. President, reserving the right to object, I, too, have two amendments, one of which I have referred to on the floor of the Senate several times. It relates to one of the basic issues involved in this bill. We are in this parliamentary situation. A cloture petition having been filed, no amendment can be considered unless it is printed and read, or considered as having been read.

Further reserving the right to object, since it is necessary that the distinguished senior Senator from Ohio obtain permission to have considered an amendment which the Secretary of State himself approved, and which, incidentally, the Committee on Foreign Relations disapproved or declined to approve, I ask unanimous consent——

The PRESIDING OFFICER. May the first unanimous-consent request be acted upon?

Mr. GORE. Mr. President, I wish to add to the request or to amend the request, with, I hope, the approval of the senior Senator from Ohio, that my amendment, which would substitute the President's requested and recommended language for section 402 of the bill, be considered as read and be printed in the RECORD.

Mr. LAUSCHE. Mr. President, I have an amendment identical with the amendment which the Senator from Tennessee has now proposed. I said I would submit two amendments, but I should like to have the Senator from Tennessee join with me——

Mr. GORE. I should like to have the Senator from Ohio join with me. This is my amendment, which I offered in the committee.

The PRESIDING OFFICER. Does the Senator from Ohio enlarge his amendment to include the request of the Senator from Tennessee?

Mr. LAUSCHE. Yes; I have no objection.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Is there objection to the modified request of the Senator from Ohio?

Mr. KUCHEL. Mr. President, will the Chair please state the unanimous-consent request as modified?

The PRESIDING OFFICER. The Senator from Ohio has requested unanimous consent that he be permitted to submit some amendments, and that request was modified by the request of the Senator from Tennessee [Mr. GORE] that one of his amendments—which apparently is in conformity with one of the amendments of the Senator from Ohio—also be included. There is a little conflict, in that the Senator from Tennessee asked that his amendment be included, as read and published in the RECORD, and the Senator from Ohio asked that his amendment be read.

Mr. LAUSCHE. Mr. President, I shall ask that my amendment be considered as having been read.

The PRESIDING OFFICER. Very well—that all of them be considered as having been read and be made a part of the RECORD.

Mr. KUCHEL. Mr. President, under the circumstances, I shall not object if these two Senators wish to submit amendments at this time.

Mr. KEFAUVER. Mr. President, reserving the right to object—although I shall not object—I point out that there are at the desk some amendments which have been there a long time; and I believe that Senators who have amendments at the desk should have an opportunity to have those amendments, too, treated as having been read.

The PRESIDING OFFICER. They will have that opportunity later on.

Mr. KEFAUVER. I ask unanimous consent, Mr. President, that other Senators who have amendments which are to be considered, have an opportunity to submit them and have them treated as having been read, and have them printed in the RECORD.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for this purpose?

Mr. LONG of Louisiana. Yes, Mr. President, provided it is understood that I may do so without losing my right to the floor—and that was my original request. If such consent is given, I yield for this purpose.

The PRESIDING OFFICER. Does the Senator limit his request to printed amendments which are at the desk?

Mr. HOLLAND. Mr. President, I shall not object to such requests made by individual Senators in regard to specific amendments; but I certainly shall object to a request for a blanket or shotgun approach.

Mr. KEFAUVER. Then, Mr. President, I ask that the unanimous-consent request be modified, so as to include the printed amendments which are at the desk.

Mr. HOLLAND. I object. I think Senators who have amendments at the desk are completely entitled to have their amendments read, and I shall not object to any such request. But I do not think a blanket request of this kind is appropriate; and I object.

Mr. KUCHEL. Mr. President, I rise to a parliamentary inquiry.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield to the Senator from California, to permit him to propound a parliamentary inquiry, without prejudice to my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. First, Mr. President, has the unanimous-consent request of the Senator from Ohio been agreed to?

The PRESIDING OFFICER. It has not.

Mr. KUCHEL. Very well.

Second, under the Senate rules, what right does a Senator have to offer an amendment, now at the desk, to the pending bill?

The PRESIDING OFFICER. After a cloture motion is presented, whenever a Senator can obtain the floor in his own right, he may submit an amendment to the bill, and may have the amendment read—provided, of course, that the amendment is germane.

Mr. KUCHEL. Mr. President, I suggest to the able Senator from Ohio and to the able Senator from Tennessee that their rights will not be prejudiced if they wait, and obtain the floor at the conclusion of the remarks of the able Senator from Louisiana.

Mr. LONG of Louisiana. That may take some time.

Mr. KUCHEL. Then it will have to take some time. But I simply suggest,

Mr. President, that 2 hours after the Senate convened, this morning, for the purpose of receiving intellectual stimulation from the able Senator from Louisiana, these unanimous-consent requests ought to be somewhat restricted.

I felt a speech bubbling up in my mind; and the able Senator from Louisiana was willing to permit me to speak, under a unanimous-consent agreement. But because I do not try to elbow my way past other Senators, I have remained silent. On that basis, Mr. President, I have the honor to object to the unanimous-consent request.

The PRESIDING OFFICER. Objection is heard.

The Senator from Louisiana has the floor.

Mr. LONG of Louisiana. Mr. President, let me say that I shall be glad to accommodate Senators as best I can. I do not desire to compel those who do not wish to listen to my remarks to remain in the Chamber and listen to them. I realize that it is necessary for Senators on the other side of the aisle to keep at least one of their group on the floor, so as to prevent the Republican Party from being abolished by unanimous consent. [Laughter.] Also, Mr. President, I realize that the leadership has to have some Senator present at all times to protect its position in connection with the pending bill.

Mr. KUCHEL. Mr. President, will the Senator from Louisiana yield for a question?

The PRESIDING OFFICER (Mr. PEARSON in the chair). Does the Senator from Louisiana yield to the Senator from California for a question?

Mr. LONG of Louisiana. I yield for a question.

Mr. KUCHEL. With great pain, does the Senator from Louisiana recall that several years ago there was a request for unanimous consent to abolish the party which I have the honor to represent—the party founded by Abraham Lincoln?

Mr. LONG of Louisiana. I do not recall it with great pain. That request was almost agreed to. [Laughter.]

Mr. KUCHEL. That is what caused the pain.

Mr. LONG of Louisiana. Oh, now I understand; the Senator from California means it caused pain to him. Yes, Mr. President; I do recall that request for unanimous consent to abolish the Republican Party. However, it almost boomeranged, because later the distinguished Republican leader caught the Democratic Senators off the floor, and almost obtained unanimous consent to have Louisiana put out of the Union—although perhaps some might say that would not have been too bad.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. Yes; provided I may obtain unanimous consent to do so without losing my right to the floor.

THE PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. I wish to correct a misstatement in regard to the meaning of rule XXII. I understood several Senators to say that they intend to submit civil rights amendments to the bill. even if cloture is invoked. However, I call attention to the fact that rule XXII reads in part—on pages 23 and 24 of the Senate Manual as follows:

> No dilatory motion, or dilatory amendment, or amendment not germane shall be in order.

So there is neither the prospect nor the probability that any such amendment will be offered and acted upon.

I realize that the distinguished Senator from Illinois [Mr. DOUGLAS] thinks of cloture only in terms of what he calls civil rights measures. But again I wish to call attention to the fact that it has been my position on this floor—and I announce it, for the RECORD, during the atomic energy debate in 1954; and I have reannounced it since that time—that the cloture rule is a two-edged sword. Not only is it a defensive measure against taking up and voting on some measure which as many as one-third of the Senators present feel would adversely affect the law and order and the peace of living in great areas of the Nation, but it is also an offensive weapon, open to the leadership—or, for that matter, to any sufficiently large group of Senators—when it is desired to have action taken upon a given measure. So I would never concede that the cloture rule means only that obstructionism will prevail, regardless of the issue which is involved.

I believe that the cloture rule works both ways. I am prepared to vote for cloture in connection with this measure; and that does not mean in any respect that my opinion in regard to what the able Senator from Illinois [Mr. DOUGLAS] refers to as civil rights measures has changed in the slightest.

The Senator from Illinois and other Senators must recall that I have not been silent in connection with what I regard as civil rights matters, inasmuch as for nearly 14 years I have been an advocate of the so-called anti-poll-tax amendment.

The trouble with the Senator from Illinois [Mr. DOUGLAS] is that he does not accord to other Senators the right to have any ideas of their own in regard to civil rights, if their ideas vary in the slightest from his; and he thinks the cloture rule is an abomination intended to prevent his ideas about civil rights measures from prevailing.

So far as I am concerned, I point out that up to this time the cloture rule has not prevented the taking of action on what I regard as civil rights measures. But the Senator from Florida does intend to resist any such measures by voting against cloture and to resist them on the floor of the Senate to the limit of his ability. As for other measures—and the Senator from Florida puts the pending measure in this group—that tremendously affect the welfare and prestige of our Nation, and in which every possible requirement of hearing has been fulfilled, and in which what the Senator from Florida regards the requirements of reasonable debate have been satisfied, he reserves the right to vote for cloture, as he has heretofore. I wanted to make that point clear in the RECORD.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield, if I may, to the Senator from Tennessee.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may permit the Senator from Florida to yield on that basis without prejudicing my rights to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. The Senator is aware, I am sure, that a ruling of the Chair on the question of germaneness is subject to appeal and decision by majority vote of the Senate, and that question is decided without debate. So my friend and able colleague, the senior Senator from Florida, need not feel too secure in his enthusiasm for cloture on this measure that a majority vote of the Senate will not make a civil rights amendment in order to be voted upon under the cloture restriction.

Mr. HOLLAND. The Senator from Florida is quite willing to recall that some dozens of times there have been amendments offered as riders to important pending legislation which did involve civil rights. Uniformly they have been voted down by respectable majorities. The Senator from Florida has no doubt at all that the same course will be followed in this matter. I wanted to reassure my friends who evidently did not understand the meaning of the cloture rule that it did not envisage calling up and passing any amendment that is not germane.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HOLLAND. If I may protect fully the rights of the junior Senator from Louisiana.

Mr. GORE. The junior Senator from Tennessee was not one of those who was suffering from any misunderstanding of the rule, if the Senator from Florida meant to include him, but the junior Senator from Tennessee is fully aware of the situation he has just stated—that the question of germaneness is within the decision of the majority of the Senate—not two-thirds, but a majority of the Senate—and that the question can be decided on appeal without debate. So the Senator who is so enthusiastically for cloture on this measure, but so enthusiastically opposed to it on others, should devote good, long thought over the weekend to considering this matter.

Mr. HOLLAND. The Senator from Florida has had a good, long thought on this matter since he heard it in the Space Committee back in April and May, and he has been waiting for a chance to vote for this measure all that time. He thinks now, when 43 out of 49 members of three standing committees have voted to bring this bill to the floor, it puts the Senate in a ridiculous posture to have a group of so-called liberal Senators prevent the Senate from expressing the will of what the Senator from Florida thinks is the great majority not

only of the Senate, but the will of the great majority of the American people.

I thank the Senator from Louisiana for yielding to me.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. For a question or for an insertion?

Mr. YARBOROUGH. Yes. I ask unanimous consent that the Senator from Louisiana may yield to me for the purpose of a unanimous-consent request that six amendments that I had placed on the desk on the 15th day of June 1962, designated "EE," "FF," "GG," "HH," "II," and "JJ" be filed here and considered as read.

Mr. CASE. Mr. President, reserving the right to object, it seems to me matters of procedure of this sort and how we are going to conduct our procedures ought to be within the regulation of the majority leader. I would like to reserve the objection until the majority leader indicates how such procedures shall be followed.

Mr. LONG of Louisiana. Mr. President, in this instance I cannot understand the Senate. I have been around here for 14 years. This is the first time in 14 years I have heard somebody object to the reading of an amendment. This is still America; is it not?

Mr. CASE. I am not objecting. I am reserving the right to object. I think the majority leader should decide the type of procedure he wants to have followed in our sessions from now on.

Mr. GORE. Mr. President, reserving the right to object——

Mr. LONG of Louisiana. Has it already been objected to?

Mr. GORE. The Senator from New Jersey reserved the right to object. He did not object.

Mr. President, reserving the right to object, a major share of the testimony and the consideration of the Senate Foreign Relations Committee was on the question of section 402, which involves the primacy of the President, on the one hand, or the initiative of the proposed corporation, on the other, for the negotiation and conclusion of agreements with foreign countries. I have repeatedly referred in debate to this fact. I have said I would offer an amendment to substitute for the provision in the bill the identical provision recommended by President Kennedy. Now, after the cloture motion is made, I am denied unanimous consent to submit the amendment, and by one single objection, after the making of the cloture motion, the Senate may be denied the right even to vote upon the amendment.

This shows how premature is the cloture motion. Not only have several Senators had no opportunity to speak even one time against the bill, but now we find objection to the submission by members of committees that have considered this measure of far-reaching amendments for consideration by the Senate. I think that is quite an extreme situation, and I regret very much that the Senate has rushed pellmell, in its enthusiasm to ramrod the passage of the bill, into such an untoward parliamentary situation.

Mr. KEFAUVER. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. LONG of Louisiana. I yield for a parliamentary inquiry, preserving my rights to hold the floor.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. LONG of Louisiana. I ask unanimous consent that I may yield for a parliamentary inquiry, reserving my rights to the floor, and I ask the Chair to protect my rights to the floor, but I am glad to accommodate the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, did not the Chair, when the Senator from Wyoming [Mr. HICKEY] was presiding, rule that Senators, when they got the floor individually in their own right, could offer amendments and ask that they be read or considered as read and printed in the RECORD?

The PRESIDING OFFICER. Yes; the Chair did make that ruling.

Mr. HOLLAND. Mr. President——

Mr. KEFAUVER. That is the ruling which stands at the present time?

The PRESIDING OFFICER. Yes.

Mr. LONG of Louisiana. Mr. President, I yield to the Senator from Florida, reserving my rights.

Mr. HOLLAND. Mr. President, I wish to protect the rights of the Senator from Louisiana in every way.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HOLLAND. I have been advised by the majority leader that I should object, for him, to any requests of the nature mentioned by the Senator from Texas and the Senator from Tennessee, until such time as the Senator from Louisiana has completed his speech. The majority leader has called attention to the fact, as shown by the ruling of the distinguished Presiding Officer, that every Senator has the right to offer amendments and to have them considered as read.

I have already served notice by what I said several minutes ago that I would have no objection to the several introductions, and neither would the majority leader, but he thinks, anxious as we have been, waiting as we have been, expectantly to hear the eloquent words of the distinguished Senator from Louisiana, that we should be afforded that opportunity at long last. So the majority leader has asked me to object to further requests for yielding, so that we may hear the eloquence of the distinguished junior Senator from Louisiana on this subject.

I thank the Senator.

Mr. LONG of Louisiana. Mr. President, if a gag rule is to be voted on by the Senate, the Senator from Florida is not going to have that opportunity, unless he wants to hear only a part of my speech, because I have a rather lengthy speech which I should like to deliver. I am sure it would be impossible to complete it today, unless I talk to empty chairs until midnight.

I have no objection to that. I should like to accommodate Senators if they wish to convenience themselves by asking that an amendment be read, rather than wait until the end of my speech.

Frankly, I say to my good friends, it may be some time before I complete my speech. I think they ought to be on notice that such is the case. If a Senator merely wishes to have an amendment read and to go about his business, if he is not anxious to hear my speech, I am not anxious to compel him to stay, especially if he has a closed mind on the subject.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Reserving my rights, I shall do so.

Mr. HOLLAND. The time is now limited. The vote on the cloture motion will take place Tuesday.

Mr. LONG of Louisiana. That is correct.

Mr. HOLLAND. There is no point in any Senator, including the distinguished Senator from Louisiana, speaking at great length. Every Senator is protected by the time limitation. There is no reason for concern.

I am sure my distinguished friend from Texas has no concern. I note that his amendments are printed and have been lying on the desk since June, so there must not be any immediacy about the matter. No Senator on this side of the aisle, and I am very sure no Senator on the other side of the aisle, will have any objection to any Senator, when he is recognized, sending forward amendments which he wishes to have read or considered as read, so that they will be available if and when cloture may be voted.

Mr. LONG of Louisiana. Mr. President, I hope that Senators are not going to insist upon continuing objections to the reading of amendments. I read from rule 22:

> Except by unanimous consent—

This is what happens after the gag rule is voted on by the Senate, after we are put in the legislative straitjacket by the gag-rule vote:

> Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time.

We are hearing objections now. If these objections persist and continue, this will mean that a great number of Senators who have amendments to offer, striking at what we believe to be the evil nature of the bill—even amendments approved by the administration itself, by the President or by the Secretary of State—may be barred from presenting the amendments, as a result of the right of Senators to object. This is brutality, the likes of which the Senate has never experienced in its existence.

I ask Senators to imagine that situation. Objections are heard even to the reading of amendments, with respect to which the Senate would be limited to a vote after the gag rule is voted in the Senate.

I hope that these objections will not persist, because it would be something of which the Senate would not be proud in years to come.

I express the hope that eventually Senators who take this position will relent and permit amendments to be regarded as read. For the 14 years to which I can attest, all a Senator has had to do was to send an amendment to the desk and have it printed, without any Senator saying anything one way or another. Usually, if some Senator looked at it, he would not object to dispensing with the reading of the amendment. I cannot recall that there has ever been a time, in my 14 years in the Senate, when a Senator has objected to a request to dispense with the reading of an amendment.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield to my distinguished friend for a question.

Mr. HOLLAND. In the first place, there is no disposition to prevent a Senator from having an amendment presented and considered as read, because there will be ample time between now on Tuesday at 1 o'clock to have that done. No Senator, except the opponents of the bill, has even suggested a lengthy speech. If Senators want to prevent their own friends or associates from having an opportunity to offer amendments, they are the only ones who will have an opportunity to do that.

In the second place, perhaps because of his modesty, I think my distinguished friend has overlooked the real meat in the statement I was asked by the majority leader to make; which is that we are very desirous of hearing the eloquent speech of the distinguished Senator from Louisiana. We are going to invoke the rule as to yielding for anything other than a question, until the distinguished Senator has concluded.

I thank the Senator for yielding.

Mr. LONG of Louisiana. I thank the Senator. If my good friend wants to be formal with me and wants to object to the slightest deviation from the rules, he is privileged to do so. As one who has had considerable experience in these debates, when we southerners have gotten together to fight to the bitter end, I have known how to handle myself on the floor. I shall be here for a long time, and can speak whether the Senator objects or does not object. I will make my speech, and try to treat Senators with the greatest courtesy.

I wanted to accommodate Senators. As a practical matter, I told Senators that so far as I could govern the situation, there would be no live quorum calls. Four Senators have died in the past year. So far as I am concerned, if some Senator wants to take the day off, to get some fresh air, feeling that might improve his health or prolong his life, he does not have to listen to my speech. I hope he will read it in the RECORD. Perhaps his administrative assistant will read it and, if he finds something challenging, will pass the word along as a suggestion to his Senator, "This is something deserving attention."

I know the problem concerning the health of Senators and what happens late in a session. I am trying to accommodate Senators, to help them discharge their obligations.

I shall have no hard feelings and no recriminations about how this fight winds up, one way or the other. Long ago I learned that I could not continue my service in this body and maintain my mental health if I worried about what the Senate might do in regard to passing a bill against my will. If I am satisfied with my position, I will not be worried, regardless of what the final result may be with respect to the cloture or gag rule, aimed to destroy the work of the Senate, this Senator will not vote that way, and he thinks his duty requires him not to worry about the outcome.

I now yield to my distinguished friend, the Senator from Florida [Mr. HOLLAND], reserving my rights to the floor.

Mr. HOLLAND. We all know that the Senator from Louisiana will do what he regards to be his duty. He will do it ably and he will do it effectively. We want to hear his remarks. We propose to be gracious.

I am not going to raise a certain rule against the Senator now which I could raise as to the place the Senator has taken to make his speech, because I think he should be allowed to speak from wherever he wants to speak. I shall be as gracious as the distinguished Senator has been to me throughout the morning.

I invite attention to the fact that we have been about this business for 2½ hours, during which I am sure the distinguished Senator has lost much time to get across his thought-provoking ideas. I hope he will not be interrupted now except for a question.

Mr. LONG of Louisiana. Mr. President, I hope my good friend will take another look at his rule book, because some time ago I had the impression that it was possible to make a Senator speak from his desk. I undertook to pursue that thought and discovered I was in error, after consulting the Parliamentarian.

I believe that was my impression on the day the former Republican leader, the late Senator Taft, undertook to put the Senator from Alabama [Mr. HILL] in his seat, under a similar impression. Thus we discovered there was nothing in the rules to make a Senator stand at any particular desk.

I should like to propound a parliamentary inquiry, and ask unanimous consent that it may not affect my rights.

Am I not correct in saying that a Senator can speak from any desk in this Chamber, unless the Senator to whom it belongs demands the desk, and not be in violation of the rule?

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Chair is advised that there is no requirement in the rules that a Senator speak from any certain desk.

Mr. LONG of Louisiana. That was my impression. As a matter of fact, I am not going to make the point that the Senator from Florida is not sitting at his desk. He can sit wherever he wants to sit so long as the Senator to whom the desk belongs does not object.

Mr. HOLLAND. Mr. President, the Senator from Florida was trying to show a willingness to be gracious. If the rules do not permit the Senator to be gracious then he will not be permitted. The Senator from Florida is sitting where he is sitting, acting as majority leader, by appointment of the majority leader, during his absence.

Mr. LONG of Louisiana. I have lost all hope of persuading the Senator from Florida to my view in regard to the satellite communications bill, but I hope that I can at least persuade him to my view in regard to the rules of the Senate—that a Senator does not have to speak from his desk, and that a Senator may speak from the desk of any other Senator if the other Senator is willing to let him speak there.

The senior Senator from Louisiana [Mr. ELLENDER] gave me permission to speak from this desk, exactly as the majority leader gave my good friend, the Senator from Florida permission to sit where he is sitting.

Neither of us is violating the rules of the Senate. That is one thing upon which we can agree. There are a great number of things with respect to which I agree with my distinguished friend from Florida. I am happy that on at least that question we can agree. I hope we can agree on some other things.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the distinguished Senator from Louisiana may be permitted to yield to me for a question.

Mr. LONG of Louisiana. I do not need unanimous consent to yield to the Senator for a question.

Mr. YARBOROUGH. I ask the distinguished Senator to yield for a question.

Mr. LONG of Louisiana. Will the Chair put the question?

Mr. YARBOROUGH. Mr. President, I withdraw my request for unanimous consent.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas for a question?

Mr. LONG of Louisiana. I yield.

Mr. YARBOROUGH. Mr. President, I rise with a great deal of hesitation, in view of the fact that 2½ hours have elapsed since the Senator from Louisiana became entitled to the floor. I do so only because I have not asked a question. I have been on my feet for more than an hour attempting to do so. In view of the fact that the Senator from Louisiana has yielded several times to the distinguished Senator from Florida for a question, and he readily agreed to yield, I ask him to yield to me for only one time.

I must state some facts as a predicate to my question.

Mr. LONG of Louisiana. I ask unanimous consent that I may permit the Senator from Texas to state a predicate to his question without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. I intend to ask the Senator questions about the true functions of legislation. What is the true function of legislation? We have had a great deal of talk about futility.

Some have suggested that if we did not pass a bill every day, we would not be functioning legislatively. I ask the Senator from Louisiana if he does not think it is as much the function of a legislature to defeat evil legislation—and I think the bill is evil—as it is to pass good legislation.

Mr. LONG of Louisiana. Mr. President——

Mr. YARBOROUGH. I have not completed my question. I wish to ask the distinguished Senator from Louisiana if he does not think that one of the highest duties of a legislator is to oppose proposed legislation that would rob people of their rights and privileges. In that connection I call his attention to paragraph 6 of section 201 of the proposed bill.

Mr. LONG of Louisiana. I have yielded to the Senator so that he might ask one question.

Mr. HOLLAND. Mr. President, I object. The Senator is not asking a question.

Mr. YARBOROUGH. I submit that it is a question. I have not finished the predicate of my question. I will finish it in less than 3 minutes. I submit that I have the right to do so. I have been yielded to, and no one can cut me off except the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, I ask the Chair to protect my rights. I do not wish to lose my rights to the floor because the Senator from Florida cannot agree with the Senator from Texas.

The PRESIDING OFFICER. The Chair rules that the rights of the Senator from Louisiana are protected by his unanimous-consent request that the Senator from Texas might propound a predicate to his question.

Mr. LONG of Louisiana. I yielded to the Senator for a question, which I can do under the rule. I wish to protect my rights. The Senator from Florida and the Senator from Texas cannot agree.

Mr. YARBOROUGH. I am asking my question. I submit it is as germane as, if not more germane than, were the questions asked by the senior Senator from Florida. The question is along the same line. For example, the distinguished Senator from Florida warned us that we might hear from the country. I telephoned to my office and I find that the amount of mail and telegrams coming in is 20 to 1 in favor of our position.

Mr. HOLLAND. Mr. President, if the Senator will not confine himself to asking a question, I will object. I do not wish to do so, because I have nothing but the greatest respect for the Senator.

Mr. LONG of Louisiana. I am perfectly content to yield for a question, but I am a little surprised that my able friend, who is an outstanding lawyer and a great judge, cannot learn how to ask leading questions. I suppose he spent so much time opposing leading questions that he cannot ask them any more as an old "leading question" man, I can tell the Senator that everything he has been attempting to say could have been put in the form of a leading question.

Mr. YARBOROUGH. Mr. President, I was trying to save time.

Mr. LONG of Louisiana. I will not yield for that purpose. I will yield only for a question.

Mr. YARBOROUGH. Mr. President, I ask the distinguished Senator from Louisiana the following question: Does the distinguished Senator from Louisiana think that the provision in paragraph 6 of section 201, page 25, of the measure is in the public interest? It reads as follows:

> (6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs;

In other words, the provision requires the President to give the business of the U.S. Government to a private monopoly and would deny the Government of the United States the right to use the satellite system that its own scientists are building. The provision requires that the United States pay tribute. I ask the distinguished Senator from Louisiana that question in connection with the testimony of Edward Murrow before the Senate Committee on Foreign Relations.

Mr. Murrow said that for USIA to broadcast over the satellite system for 1 hour a day to the four corners of the world, the cost to the Government would be $900 million a year in rent to the proposed private monopoly. That right would be given to the corporation under that provision of the bill. The President must give the Government's business to the monopoly. I ask the Senator, Is that provision of the law in the public interest of the United States?

Mr. LONG of Louisiana. No.

Mr. YARBOROUGH. Mr. President, will the Senator yield for another question?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas for a further question?

Mr. LONG of Louisiana. I yield.

Mr. YARBOROUGH. Does the distinguished Senator from Louisiana think that we are legislating properly only when we are passing bills? In connection with that question, I remind him of the statements made about the function of legislation and about this procedure being a study in futility. The distinguished Senator from Florida said it was ridiculous. In connection with my question, I refresh the memory of Senators by pointing out that that was the kind of attack that Hitler made on the Reichstag. Finally the Nazis burned down the building and dissolved the Reichstag to destroy parliamentary government. I ask the Senator if he thinks that the Senate must pass bills every day in order to be legislating properly?

Mr. LONG of Louisiana. No.

Mr. YARBOROUGH. Mr. President, will the distinguished Senator from Louisiana yield for another question?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas for a further question?

Mr. LONG of Louisiana. I yield for a question.

Mr. YARBOROUGH. One question.

Mr. LONG of Louisiana. Only for a question.

Mr. YARBOROUGH. Does the distinguished Senator from Louisiana think that when a motion for cloture is being voted upon, absenteeism is true neutrality? Does the Senator from Louisiana think that if a Senator who is opposed to cloture absents himself, he is thereby being neutral in the fight over cloture?

Mr. LONG of Louisiana. I do not think he is being neutral. I think he is taking sides when he stays away.

Mr. YARBOROUGH. Is it not a fact that a Senator opposed to cloture who absents himself, if he were present and voting, would negative two votes on cloture; if he absents himself without a pair with two Senators for cloture, he is absolutely destroying his vote against cloture, at least by one-half of his voting power?

Mr. LONG of Louisiana. Yes.

Mr. YARBOROUGH. He is destroying his vote to that extent.

Mr. LONG of Louisiana. Mr. President——

Mr. YARBOROUGH. Mr. President, I have a number of other questions, but in deference to the capability of the distinguished Senator from Louisiana, I will defer the questions until later.

Mr. LONG of Louisiana. Mr. President, I cannot yield for an observation.

I wish to make one or two points about the cloture question, which was brought up today, and then I will go on to other questions.

First, I wish to make a statement for the benefit of the majority leader. Although he is not present, I hope he will read it in the RECORD. I think our majority leader is a great and honorable leader. He does not pull tricks on others, or take unfair advantage of them. That is one of the finest things about our majority leader. I have never known him to break his word, to break his commitment, or do anything which, by my standards, would be immoral conduct on the part of a Senator in discharging his duties toward his fellow Senators.

I admire and respect him for that. He has never heard a word of complaint from the junior Senator from Louisiana about the way he has conducted himself. We can disagree about the bill, but we cannot disagree about the honorable conduct of the majority leader. He has been fair. He tells us what he intends to do, and then undertakes to do it.

I think it would be a terrible mistake if he should succeed in invoking cloture in this body in order to pass a bill which we believe would create the most gigantic, oppressive monopoly of this century. That would be a very bad mistake. But he has a right to support the bill, and he has a right to seek gag rule in the Senate if he chooses to do so. I do not deny his right to do that, or quarrel with his privilege of making such an effort. As one Senator, I respect him for his right to do that. I hope he respects our right to oppose the bill as diligently and as persuasively as we can, and with all the sincerity we can muster, seeking to persuade other Senators to go along with us and vote against it.

The debate, at least to some degree, is doing what the other great debates of this body have done. The bill is a bad one. Those of us who are fighting it are convinced it is a horrible bill. This Senator is convinced that it is one of the worst bills he has ever seen in his life. I know it is one of the worst I have seen in the 14 years I have been in the Senate.

Of the bills mentioned by the majority leader, it is difficult to point out one of them which, from the economic point of view and from the point of view of the future of America, could be as bad as the one we are considering.

Frankly, we know what we are up against. I have noticed that some of the major newspapers have published editorials viciously attacking some of my colleagues for opposing the bill. I am sure the same thing will happen to this Senator. Why do they do that? Why is it that those who find so much evil in the bill cannot find a single newspaper that is upholding or supporting our position? There are some newspapers with a so-called liberal point of view that are doing so. As a practical matter, I do not think they could afford to uphold us. Economically, I do not think the press has the privilege of persuading the public how bad the bill is. I think the working press will file honest stories about the debate, and the most honorable newspapers will print those stories and will be fair in their presentation of the news.

Do not let any Senator expect to find any help on the editorial page. It is easy to see why.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I will yield in a moment. All one has to do is to take the two Washington newspapers, as a start, to see what happens. Let us look at all the advertising that the Chesapeake & Potomac Telephone Co. pays for in the Washington newspapers. That telephone company is a subsidiary of A.T. & T. That company can charge its advertising off to the people who use the telephones—to me, to the Presiding Officer, and to every other Senator and every citizen who uses that service, and even the Government itself, and everyone else in town. The newspapers make a nice profit out of this. However, we must understand that this telephone company does not have to put a single word of advertising in these newspapers downtown if they get to resent the attitude of one of these newspapers. If they do not like the attitude of a newspaper, they can remove their advertising from that paper. They are entitled to do so at any time.

Furthermore, I know a little bit about cross-lobbying. I have done some of it myself, before I came to the Senate. What is cross-lobbying? It works something like this: If A is trying to get through a bill, and B is trying to get through a bill, A can go to B and say, "If you can get this man to go along with you, I can get that man to go along with me. If you can get him to go along on my bill, I can get the other fellow to go along on your bill."

Let us take another example: Here is a telephone company and over there is an electric company, or a gas company. If I were a lobbyist I could go to one and say, "We have a parallel interest with you. This is our bill. It is something we want. You help us with this, and we will see if we cannot help you with some other bill that you may want. After all, we have a parallel interest."

These are privately owned public utilities, and the public pays for the advertising that is charged to the users in the rates they pay.

I am sure many Senators read the editorials in the great newspapers of the country on the day that Telstar went up. They all spoke about how tremendously important it was, what a great event it was, and what a great achievement on the part of A.T. & T., and then added what a fine thing it would be to pass the satellite bill. That all appeared on the editorial page. It appeared the first time that word went out that Telstar had gone up, even before A.T. & T. knew that they would be able to communicate with Telstar.

Drew Pearson had an article which appeared in the Washington Post, in which he spoke about a little country editor who made the mistake of criticizing the bill, and he spoke about an officer of A.T. & T. arriving at the editor's office to tell him that he must not know where his bread was buttered, and that he would be injured and would be hurt, and that his stockholders would not approve of his attitude because the newspaper might start to lose money if it lost advertising, as could be envisioned under the circumstances. I assume that that is what he said to him.

I have here an editorial which was printed on May 31, 1962, entitled "The Biggest Giveaway Yet." This was written by a little country editor expressing his opinion. I do not believe I will put the editorial in the RECORD now. There is no doubt that we are up against tremendous odds. It is unfair for those who have such fantastic power to scathe this little group who are fighting this bill, as we have been in the Senate. That is what is happening, though.

I was one of those who fought the basing-point bill. I believe the Senator from Tennessee was at that time in the House of Representatives, where he did not have the benefit of free debate. We fought that bill in the best way we could. We spent more time fighting the basing-point bill than we have spent fighting the pending bill. Eventually, after a couple of years, the proponents finally got that bill enacted and onto the President's desk, who, to their great surprise, vetoed the bill. That was the end of that. We could have saved a lot of time and a lot of effort if the President had told us that he was going to veto the bill. He did not tell us that he would veto it so we had to do the best we could. We had to fight it in the best way we saw fit. In any event, the bill did not become law. We are today fighting the pending bill in that same tradition.

I ask Senators to listen to this editorial. This is a front page editorial discussing this matter. This refers to an A.T. & T. lobbyist who called on this little country editor. Most of the little country editors are too small to take on a big company like this. However, I ask Senators to listen to what this editor said:

> Joe's loyalty to his company is a fine thing. But his company is asking him to do some very questionable things. He wants us to send our editorials to him before we print them, so he can check them for facts. This suggestion we do not favor.

Can Senators imagine how this giant corporation can kill editorial expressions even before such expressions are printed? It is fantastic. Here is this enormous power that exists in this monopoly, and yet we are told that we must make it bigger and we must pass laws to strengthen it.

I believe that history will look at this debate, unless I am mistaken, and say that this is one of the better examples of responsible debate against legislation not calculated to be in the public interest. My guess is that historians will tend to say that in the middle of the 20th century, an effort was made to pass a bill calculated to greatly strengthen and improve the position of a monopoly which had already become the greatest single monopoly in the world, and that certain Senators in the Senate who claimed to be strong advocates of free enterprise undertook to fight the bill and to make the distinction between monopoly and free enterprise, and explained that they favored competition rather than monopoly, where competition was possible.

I do not know what the verdict will be, but I hope history will judge us more kindly than the editorials which are scathing us.

There was something said about Senators not being here for a quorum call. In fairness it should be said—and I believe the majority leader will agree—that it is not up to the opponents of the bill to get a quorum present. Those who oppose the bill are not required to see that a quorum is present. As one who has opposed bills that I thought were bad, and who has engaged in debate which was described as a filibuster against civil rights measures, I have always regarded it as the duty of those who were pressing for the passage of the bill to see that a quorum was present.

Of course, that is the way it is now. I have no particular interest in speaking to an empty Chamber; I have done so before. If on Saturday some Senators hope to get additional rest, that is fine. I hope they will review my remarks and see what I have said on the subject when they return.

It seems to me that in this fight a decision has been made that no amendments are to be agreed to, no matter how well they are supported, no matter how sound the amendments may be. That was what happened in the Committee on Foreign Relations, and I suppose that sets the pattern for what will happen when the bill comes to a vote. Efforts will be made either to table the amendments or to vote them down without permitting the amendments to be considered in their own right.

Mr. President, on June 18 and 19, I discussed some of the issues involved in determining the future of a space communications system.

As you will recall, the principal points I made are these:

First. Since this area of space development is the first major fruit of our vast public expenditures, the decision we make with respect to space communications will have far-reaching political and economic implications because it will create a precedent for later solutions in other areas of human activity in space, and its consequences will be felt for generations.

Second. Because of an almost complete blackout by newspapers, radio, and television, our citizens are not aware of the great public issues involved. In addition, I expressed great doubt that my colleagues in the Senate, who are being called on to make decisions in this difficult field, could pass even an elementary examination in the subject matter and its implications.

Third. Instead of objective, unbiased information, we have been bombarded and almost overwhelmed with cliches, slogans, half-truths, and misinformation provided by the world's biggest private monopoly, the American Telephone & Telegraph Co. We have been subjected to lobbying activity the like of which I had never thought was possible.

Fourth. The United States, as a consequence of the excellent technical achievements of its NASA and DOD programs, has a tremendous opportunity to advance its position of prestige and world leadership, as well as to make a major gain toward the objective of preserving the free world, if it will now decide to use its present and future space achievements to this purpose. In my opinion, this should be the dominant factor in making the decisions on how to develop our technical achievements in space for the service of the Nation and mankind.

Fifth. We do not know at present what the potentialities of a satellite communications system will be and the actualities will probably exceed our imagination. Such a system will be able to be used in meteorology, space navigation and control, oceanography, space research, and other fields we cannot even conceive of at present.

Sixth. Every aerospace company, every communications company, except A.T. & T., and every scientist I have encountered, have stated that only with a synchronous high orbit system can we realize the full potentialities of a space communications system. This revolutionary new technology offers a threat to the existing methods of communication and can be used to introduce competition in this area. On the other hand, under this bill, H.R. 11040, this new technology can be used to strengthen the present monopoly.

Seventh. The American Telephone & Telegraph Co., which controls the conventional means of communication, is attempting to gain control of the new technology to protect its monopoly position by eliminating the possibility of competition. The Federal Communications Commission is being used by A.T. & T. to attain its objectives.

Eighth. The inevitable conflict of interest between competing technologies has been recognized by Congress, which has also traditionally limited common ownership of competing modes of transportation. I should like to cite as an example the Panama Canal Act of 1912, which is a part of the Interstate Commerce Act. This law prohibits ownership, control, lease, or any interest whatsoever, by a railroad in a common carrier by water with which the railroad does or may compete for traffic. The Civil Aviation Board also adopted the same interpretation as the Interstate Commerce Commission that ownership of air carriers by surface carriers could crush the competition of the air carriers.

Mr. President, the purpose of my amendment, which is now at the desk, seeks to carry out that philosophy. I understand that it is the pending amendment today.

May I inquire of the Chair if the pending amendment would prohibit the communications carriers from owning stock in the proposed corporation?

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Louisiana designated "T" is the pending business.

Mr. LONG of Louisiana. Has that amendment been read?

The ACTING PRESIDENT pro tempore. The reading was waived, and the amendment was printed in the RECORD.

Mr. LONG of Louisiana. Under the rules of the Senate, in the event cloture is invoked, would that amendment be subject to being voted upon without unanimous consent?

The ACTING PRESIDENT pro tempore. The amendment would come under the provisions of the cloture rule.

Mr. LONG of Louisiana. And could be voted upon?

The ACTING PRESIDENT pro tempore. If cloture were adopted, the amendment would be eligible to be voted upon.

Mr. CASE. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I yield for a question.

Mr. CASE. I assume that the ruling of the Chair means that the amendment is germane.

Mr. LONG of Louisiana. I am not concerned about the germaneness of the amendment.

Mr. CASE. I am not questioning that either; I simply wanted to be certain.

Mr. LONG of Louisiana. As a practical matter, is the Chair permitted to advise me whether the amendment is germane?

The ACTING PRESIDENT pro tempore. If the Chair were to rule on such a question, a point of order might be raised. However, in the opinion of the present occupant of the Chair, the amendment deals with communications carriers and is germane.

Mr. CASE. I raised the question only because the response of the Chair was that the amendment would be in order, which I assumed included a ruling that the amendment was germane within the rule.

Mr. LONG of Louisiana. The question of germaneness never arises unless some Senator challenges the germaneness of the amendment and makes the point of order that it is not germane. Then the question would be decided; and, of course, the ruling would be subject to modification by the Senate, because if there is an appeal from the ruling of the Chair, the question would be decided without debate. Will the Chair please advise me if I was not correct in my understanding?

The ACTING PRESIDENT pro tempore. Under the rule, all points of order, including questions of relevancy, and appeals from the decision of the Chair, are decided without debate.

The Senator from Louisiana has requested an opinion from the present occupant of the chair concerning the relevancy of the amendment which is pending at this time. In the opinion of the present occupant of the chair, that amendment is germane.

Mr. LONG of Louisiana. But the opinion of the present occupant of the chair cannot bind a future Presiding Officer.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. LONG of Louisiana. The ninth point I made in my previous speech was that communications satellites will reduce considerably voice channel costs, but, if the communication carriers are active in the affairs of the satellite corporation, there is no indication that rate reductions will be commensurate with cost reductions, either for particular services or in the aggregate, or that rates will respond quickly to cost changes.

This means that the public, which paid for the development of a satellite communication system, will not receive the full benefits which the system will offer and which the public deserves.

Tenth. The operating expense items included by the Bell System and the base to which its earnings are related have not been subjected to any detailed examination by the Commission to determine the propriety of all amounts reported as plant investment and operating expenses. It is questionable, therefore, whether the criterion of a "reasonable rate of return" is really meaningful when the regulatory commission assumes little control over investment and expense items that go into the computation of the rate of return.

Eleventh. While it is true that interstate toll rates have fallen substantially during the whole course of A.T. & T.'s history, this is not a misleading fact. The crucial question is how closely correlated with cost reductions were these toll-rate reductions.

Twelfth. Interstate telephone rates are lower than intrastate rates. Apologists of the Federal Communications Commission then draw the conclusion that this agency, therefore, is actively protecting the public interest. To anyone acquainted with the facts, this conclusion is absurd. Although interstate telephone rates are lower than intrastate rates, the rate of return on interstate service, at least in the years for which we have data, is higher than that on intrastate service. There are several reasons for this situation. The most important one is that short-haul calls do not cover their total cost, while long haul calls generate revenues in excess of their total cost. Studies of six

areas by the Bell System show that substantial losses were suffered in short-haul traffic in all six areas. The average intrastate call involves a shorter distance than does the average interstate call. In one sample made in the late 1940's, it was found that the average interstate call involved a distance of 204 miles, while for 18 States the average length of intrastate calls ranged from 9 to 54 miles. There is also data to show a positive relationship between the average distance of calls in each State and the profitability of intrastate toll business.

Another reason why intrastate toll rates are higher than interstate rates for the same distance is that State commissions allow relatively high intrastate toll rates, in order to subsidize local exchange service. State commissions find it more politically palatable to have tolls raised than to have local exchange rates raised.

As I have stated before, the claim that the Federal Communications Commission is responsible for lower interstate rates represents a desperate effort to show that the Federal Communications Commission in at least this respect is protecting the public interest. Unfortunately, however, this claim is completely baseless. I hope we can quietly lay this argument to rest, and can go on to consider some important issues involved in H.R. 11040, which provides for the establishment of a space communication system.

Today, I should like to begin a discussion of three very serious issues raised by this bill. They are the monopoly problem, the activities of the Federal Communications Commission, and the enormous economic and political power of the American Telephone & Telegraph monopoly. These important problems cannot be disposed of by refusing to acknowledge them; nor can they be evaded by irrelevant cliches and slogans.

Mr. President, today I am proposing to tell the Senate about matters which I do not believe the Senate has heard about previously. They should be discussed, however, and Senators should know about these matters before they vote on the pending bill.

At this time only a few Senators are on the floor, and for the most part these Senators have already made up their minds about the bill. However, Mr. President, it is important that all Senators understand these matters. I am frank to state to Senators that, so far as I am concerned, I have been studying this bill, off and on, for about a year and a half, and I am still learning a great deal about it—a great deal that is very relevant in connection with our reaching our decision as to whether the bill should be passed. In fact, I think I now know a great deal more about how the bill should be amended in order to make it suitable for passage by the Senate than I did before; and I had been studying the bill for more than a year and 3 months before I reached that decision.

II. MONOPOLY AND ANTITRUST PROBLEMS

Mr. President, if the communication carriers want to set up a satellite communication system jointly, why do they not just do it? Why is legislation needed?

The answer is that they would be violating the antitrust laws, the bulwark of our free enterprise system. H.R. 11040 is, in essence, proposed legislation designed to carve out an exemption from the antitrust laws.

Without legislation, the objective of H.R. 11040, the setting up of a joint venture, would violate sections 1 and 2 of the Sherman Act and section 7 of the Clayton Act, which are on the books to protect the public. This bill also appears to violate section 314 of the Federal Communications Act.

We must recognize that the bill is designed to overturn two very important and longstanding congressional policies.

First. In the past 25 to 30 years, many attempts have been made by the telegraph companies to frame legislation to permit some kind of permissive or mandatory merger of the U.S. international telegraph carriers. On each occasion, the Congress has refused to sanction such a merger. H.R. 11040 goes much further than seeking sanction for the international telegraph carriers only; this bill seeks to combine all forms of communications, both telegraph and telephone, domestic and international into one satellite corporation.

The inevitable conflict of interest between competing technologies has been recognized by the Congress, which also has traditionally limited common ownership of competing modes of transportation. For example, the Panama Canal Act of 1912, which is part of the Interstate Commerce Act, prohibited ownership, control, lease, or any interest whatsoever by a railroad in a common carrier by water with which the railroad does or may compete for traffic.

The committee report on the Panama Canal Act stated that:

> The apprehension of railroad-owned vessels driving competition from the canal may or may not be exaggerated, but it is certain that the evil, which is only anticipated there, already exists in the coastwise trade—as well as on our lakes and rivers.[1]

A Commerce Committee report issued in 1961 stated:

> The Motor Carrier Act of 1935 and the Transportation Act of 1940, were interpreted by the ICC, with the express approval of the Supreme Court of the United States, as giving the Commission the authority to limit to a very large extent rail ownership of motor trucking.[2]

The Civil Aviation Board which adopted the same interpretation as the Interstate Commerce Commission, reached the following conclusion:

> For the Board would not be justified in closing its eyes to the potential threat which the entry of surface carriers into this field would in many cases offer to independent air carriers or the effect which such participation might have upon the fulfillment of the policies of the act. Surface carriers engaging in air transportation would at times be under a strong incentive to act for the protection of their investment in surface transportation interest. Again, by reason of their superior resources and extensive facilities for solicitation, such carriers would often be the possessors of powerful competitive weapons which would enable them to crush the competition of independent air carriers.[3]

Many more examples can be supplied which make similar prohibitions. The Interstate Commerce Act, in particular, has numerous cautions and prohibitions against joint ownings which would tend to lessen competition in the transportation field.

As I have already stated, the American Telephone & Telegraph Co. is trying to create the impression that communication by satellite is merely a supplement to communication by undersea cables or land lines. As part of its propaganda, A.T. & T. refers to the satellite as a "cable in the sky." No other company takes the same view—not Lockheed, not Hughes, not RCA, not General Telephone and Electronics, not Bendix, not Philco; nor does the U.S. Army.

Let me quote once again General Sarnoff's statement before Senator Kefauver's subcommittee: This is an important statement, and I hope that it will be inculcated on the minds of my colleagues:

> I think I am not overstating the fact when I say to you that I regard the satellite communication as the most significant and the most vital development in the world of communications since I began over a half century ago. But we are only at the beginning. It is far from being a finished product. Certainly it is not a finished system. There is much yet to be learned before one can speak with certainty about a global operating satellite communication system.
>
> I think also that the satellite communication possibilities go beyond the mere extension of existing communications system. It is more than the so-called cable in the air, or a hightower in space. It is a revolutionary possibility of global communication, the limit of which no man, in my judgment, is competent enough to place at the present time.[4]

Communications by satellites will be a revolutionary new technology. It will be a threat to existing methods of communications. Let us not forget Federal Communications Commission Commissioner Craven's testimony before the House Space Committee.

Mr. Craven is as favorable to A.T. & T.'s view as is anybody in Government. He said:

> The main thing that I want to emphasize is that if we try to establish a separate system by satellites in competition with existing things, I am quite certain ultimately that the existing means of communication which are going to be necessary are not going to be able to survive economically.

JOINT VENTURES

With respect to joint ventures, the *United States* v. *Penn-Olin Company, et. al.* (Civ. 2282), filed on January 6, 1961, was the first civil antitrust complaint in which the Clayton Act had been used to challenge the "joint venture" techniques under which competing companies may

[1] Panama Canal, report of Interstate and Foreign Commerce Committee. H. Rept. No. 423, 62d Cong. 2d sess., p. 12.

[2] National Transportation Policy, p. 140, report of Commerce Committee, U.S. Senate, June 26, 1961, Rept. No. 445, 87th Cong., 1st sess.

[3] Op cit., p. 142.

[4] Kefauver hearings, transcript pp. 724–725.

combine to avoid, restrain, or lessen competition.

In describing the case, Assistant Attorney General Robert A. Bicks said:

> Joint ventures have become an increasingly popular means by which two or more companies may, without completely merging, pool their capital or technology to establish a new business entity. Whenever joint ventures are competitors in any line of business, their agreement and combination as well as acquisition of stock or assets, remain fully subject to the application of traditional Sherman and Clayton Act principles.
>
> There is no question that section 7 of the Clayton Act was designed by Congress to halt all mergers and acquisitions, regardless of form, having the proscribed adverse effects on competition.

Mr. Bicks added:

> The Penn-Olin complaint, which represents the Department's first challenge under section 7 of the Clayton Act to the acquisition by joint ventures of stock in a corporation of their own creation, highlights the anticompetitive consequences which may flow when substantial competitors merge part of their resources to form a new enterprise.[5]

The Chairman of the Federal Trade Commission recently stated:

> If two firms, each with a sizable share of the market for a commodity, pool their business into a joint venture, the effect—for all practical purposes—is similar to that of a merger. It is really the old "trust" technique in modern dress. The damage to competition is clear cut, and if possible, the move should be quickly halted. The particular device used to achieve the result is irrelevant. It is the effect upon competition that counts.[6]

Mr. President, we have here a situation where the communications carriers would participate in a joint venture to own and control a satellite communications system. The use of this system will be vital to the business of all parties concerned, like raw material to the steel companies.

The joint venturers will say that their relationship will be limited to the specific purpose of the joint venture; after that they go their own separate ways independently. It is apparently assumed that business firms can be members of an industrial family at some point in the productive process, but that when they reach the marketplace, they will compete for business like strangers.

This does not make sense. There are serious questions about the likelihood of maintaining the vitality of competition where intimate family relationships, in the form of joint ventures, exist beneath the surface. It is very doubtful, in my opinion, that business strategists will treat one another as belligerents in the kitchen if they are sweethearts in the parlor.

DOMINATION BY A.T. & T.

If ever a bill could be devised to insure domination by the American Telephone & Telegraph Co., this is it. A.T. & T. can own up to 50 percent of the stock. There is no limit to the amount a single carrier can own. Informed opinion, which includes Mr. Katzenback and Mr. Loevinger of the Justice Department, sets A.T. & T.'s share at about 40 percent.

That is what they expect A.T. & T. to own under this bill.

Under the Investment Company Act of 1940, any person who owns beneficially, either directly or through one or more controlled companies, more than 25 percent of the voting securities of a company shall be presumed to control such company—15 U.S.C.A. 80A, section 2(a)(a).

Under the Public Utility Holding Act of 1935, a holding company is defined as any company which directly or indirectly owns, controls, or holds with power to vote, 10 percent of the outstanding voting securities of a public utility company of a company which is a holding company.

A subsidiary of a holding company means any company 10 percent of whose stock is directly or indirectly owned, controlled, or held with power to vote, by such holding company—or by a company that is a subsidiary company of such holding company.

An affiliate of a specified company means (a) any person that directly or indirectly owns, controls, or holds with power to vote, 5 percent or more of the outstanding voting securities of such specified company; (b) any company 5 percent or more of whose outstanding voting securities are owned, controlled, or held with power to vote, directly or indirectly, by such specified company—15 U.S.C.A. 79b(a) (7), (8), and (11).

In fact, the Southern New England Telephone Co., in which A.T. & T. owns 19 percent of the stock, and the Cincinnati and Suburban Bell Telephone Co., in which A.T. & T. owns 29 percent of the stock, are both considered by A.T. & T. as being part of the Bell System—Kefauver hearings, page 608.

On Monday, June 25, 1962, the Supreme Court reaffirmed our fundamental belief in competition, in the preservation of the small, independent businessman, and again pointed to the danger of concentration of economic power. In the Brown Shoe Co. case, the Court held that acquisition of the largest independent chain of family shoe stores by the fourth largest shoe manufacturer, itself a leading shoe retailer, both directly and indirectly violated section 7 of the Clayton Act, as amended by the Celler-Kefauver Act of 1950. The considerations which led the Court to this conclusion are directly relevant here, and indicate that the acquisition of a powerful stock position in the corporation by other companies in related fields would similarly violate section 7.

To start with, the Court stressed:

> The dominant theme pervading congressional consideration of the 1950 amendments was a fear of what was considered to be a rising tide of economic concentration in the American economy.

And it approvingly quoted the following statement by Judge Learned Hand:

> Throughout the history of these [antitrust] statutes it has been constantly assumed that one of their purposes was to perpetuate and preserve for its own sake, and in spite of possible cost, an organization of industry in small units which can effectively compete with each other (*U.S.* v. *Aluminum Company of America*, 148 F. 2d 416, 429 (2d Cir. 1945)).

The Court went on to find that the acquisition of the leading independent family shoe chain by one of the leading shoe manufacturers would foreclose a substantial share of the retail shoe market to small manufacturers.

Exactly the same effect will result from organization of the satellite corporation as proposed by H.R. 11040—A.T. & T., RCA, General Electric, Lockheed and other large equipment manufacturers who will buy most of the stock will certainly try to use their inside position to allocate the bulk of the corporation's equipment procurement to themselves. In fact, A.T. & T. at present buys all but a negligible fraction of its equipment from its own subsidiary, Western Electric, and, as shown by testimony from small businessmen before my Monopoly Subcommittee, the Western Electric monopoly has seriously hurt many small businessmen by eliminating almost all of the telephone equipment market from the play of free competition. Passage of this proposed legislation will thus fly directly in the teeth of our professed concern for the plight of the small businessman and for the reduction of concentration.

And let there be no mistake about the possibilities of this—the General Electric Co. and others clamored for a chance to buy stock in the corporation because they feared A.T. & T. would funnel all satellite procurement to itself. Obviously, this was because they planned to use stockownership to get a piece of the pie for themselves. But what of the small businessmen who cannot afford to buy this stock except in negligible amounts?

One does not need full ownership to obtain such power. In the *Du Pont-General Motors* case, *U.S.* v. *E. I. du Pont de Nemours & Co.* (353 U.S. 586 (1957)), the Supreme Court found that Du Pont's 23-percent stockownership in General Motors gave it an unfair competitive advantage in the sale to General Motors of finishes and fabrics in violation of section 7.

The fallacy that wide ownership can possibly resolve these antitrust problems was exploded by that very decision. In footnote 56 of the majority opinion, the Court stated:

> The potency of the influence of Du Pont's 23 percent stock is greater today [than when first purchased] because of the diffusion of the remaining shares, which in 1947 were held by 436,510 stockholders; 92 percent owned no more than 100 shares each and 60 percent owned no more than 25 shares each.

The fact that there may be a few other large stockholders, none of whom can own more than 10 percent of the voting stock, does nothing to reduce the effect of the approximately 40 percent which A.T. & T. will have.

Moreover, the decision in the Du Pont-General Motors case did not turn on the number of directors Du Pont had. Du Pont had relatively few directors—never more than 6 or 7 of the board, which, between 1925 and 1947, had about 30—a smaller percentage than A.T. & T. will

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[5] Trade Regulation Reports, case 1583, p. 45061.

[6] "Joint Ventures: What Is Their Impact on Competition?" Address by Hon. Paul Rand Dixon before the Economic Club of Detroit on Mar. 12, 1962.

be able to have in the satellite corporation. In fact, Du Pont frequently had no more than 2 directors, even though, according to the Court, Du Pont had bought the stock for the express purpose of getting the General Motors business.

Mr. CHURCH. Mr. President, will the Senator yield to me, without losing his right to the floor, in order that I may send an amendment to the desk and make a short explanation of it?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I might yield for that purpose, reserving my rights to the floor.

Mr. CASE. Mr. President, reserving my right to object, I think, as I stated before, questions of procedure of this sort ought to be handled in accordance with the views of the majority leader. It is my understanding, still under my reservation, that the majority leader has suggested that all amendments be withheld until a Senator has the floor in his own right and offers them at that time.

I do not wish to press that point myself, but I shall reserve the right to object until the majority leader's representative can tell me whether that position on his part has been changed.

Mr. LONG of Louisiana. Mr. President, it is absolutely unthinkable to me that the Senate would deny a Senator the right to have an amendment read, or even to have it received at the desk and considered as having been read. I have never seen this happen in the 14 years I have served in this body.

I hope Senators will pardon me for gaining this impression, but it seems to me it is a courtesy that every Senator has had and has been granted, even during the filibusters of the past. Even then Senators had that right.

That right has existed as long as I have been a Member of this body. The privilege Senators are asking for was a privilege in this body when I used to sit up in the galleries in my knee breeches and watch my father hold this floor.

Now we are told that the Senate is to be gagged on Tuesday, and Senators are not to be permitted to have their amendments read. And an amendment cannot be voted on unless it has been read, as the Senator knows, except by unanimous consent.

What is going on here defies imagination. I cannot believe it. Why this is happening I cannot for the life of me understand.

At some times in the past, when some of us southerners were making our northern friends so angry they would "drink our blood" for opposing their civil rights bills, this privilege existed.

I regret that this is the case.

It is hard for me to believe that such is the case. I regret to say that the Senator saw it happen. A representative of the majority leader who I thought would fight to the bitter end to prevent something like this from happening in the Senate is taking the position I have described. I understand he is going to vote to gag the Senate on Tuesday and object to Senators——

Mr. SMATHERS. Mr. President——

The PRESIDING OFFICER. Does the Senator yield?

Mr. LONG of Louisiana. I am talking now. I cannot yield and talk at the same time. I never dreamed that the day would come when I would see such force exercised upon the Senate. Not only are Senators to be gagged and denied the right to talk about a bad bill, but we cannot even have amendments to the bill read. I regret that the request of the Senator was objected to.

Mr. CHURCH. I fully understand.

Mr. LONG of Louisiana. If the Senator will leave his amendment with me, and if the powers that are in control of the Senate do not become brutal, I will try to have the Senator's amendment read at the time I conclude my speech. I will try to protect the rights of others.

This will be difficult if a gag rule is to be forced on the Senate. I hope that when the gag-rule issue comes before the Senate, the Senate will vote that the proposed civil rights amendments to the bill are not germane, because it would be a travesty if, in addition to passing a bill that would create the greatest monopoly in the history of the country, the bill should also include amendments to ram some of the obnoxious civil rights proposals down our throats as well. I will do what I can to save the Senate from its own folly in the event something of that sort is attempted. I hope I shall have the cooperation of my friend from Florida in respect to any attempt to gag the Senate in respect to title 3, or voting rights. I hope I will have his support in any attempt to try to ram through the Senate a rule under which the Senate would not be able to debate whether the issue was relevant or germane; so we will save the Senator from his own folly if he seeks to have gag rule imposed.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield for a question.

Mr. SMATHERS. There is nothing that pains me more than what I must do now, which is to object.

Mr. LONG of Louisiana. I hope it does not defeat the Senator. He has the same problem I have. I can tell the Senator that if there is any ramming through the Senate of an obnoxious civil rights amendment, I hope it does not defeat the Senator from Florida.

Mr. SMATHERS. I know my good friend would go so far as to make a speech for me or against me, whichever he thought would help me most, if I needed it. I appreciate that. I have always counted on his good will.

Mr. LONG of Louisiana. I do not know that my speech would actually hurt the Senator from Florida. He had better keep me out of the debate, if he thinks I would not speak for him.

Mr. SMATHERS. The Senator from Louisiana has made many wonderful speeches in my State. I have always been complimented. In most instances, he has been very charitable and generous in his treatment of me. When I have gone to Louisiana, I have tried to be equally charitable in my treatment of him. That is the way I am sure it will always be. No Senator knows more about how to conduct a filibuster than does the Senator from Louisiana. We are proud of him.

Mr. LONG of Louisiana. Mr. President, I have received that compliment from experts.

Mr. SMATHERS. In this particular case the Senator is well aware why Senators who wish to reach a vote on the satellite communications bill feel that it is necessary for the leadership to object to the reading of an amendment. No Senator understands the rules any better than does the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, I cannot understand it. I never thought the day would come when I would see someone who speaks for the South, for the leadership, and for freedom on occasion come before the Senate seeking to gag the Senate and deny Senators even the right to have amendments read. Let us face reality. If a Senator cannot have his amendment read, he cannot offer it after the gag rule is imposed.

My friend, the Senator from Idaho [Mr. CHURCH], has left the Chamber. He has given up hope.

Mr. SMATHERS. Were he here, we might relent, but he has left.

Mr. LONG of Louisiana. I might offer it later so as to afford the Senate an opportunity to vote on the amendment. There is a possibility that it may be done later. I hope that members of the press will see the opportunity of continuing to get some advertising from A.T. & T. and its subsidiaries by printing the fact that it is being proposed to gag the Senate and not even permit amendments to the bill to be offered and considered. To me that is fantastic. I did not believe the leadership would persevere in such an effort. However, I have seen strange things which sometimes I cannot understand.

Mr. President, I was discussing the antitrust aspects of the bill, to which I would like to return.

The Brown Shoe opinion also found that Brown Shoe's retail outlets competed with Kinney and that the merger would eliminate also this kind of competition in many cities. The same result will flow from the acquisition of huge shares of stock in this satellite corporation by A.T. & T. with whom the satellite corporation will compete. Elimination of such competition is the inevitable result. It is, indeed, one of the prime purposes of permitting the carriers to control the satellite, according to Federal Communications Commission testimony before both my Monopoly Subcommittee—page 473—and the Kefauver subcommittee—332–333. Such deliberate suppression of competition could not be more offensive to our system of free enterprise, of which competition is its very lifeblood. If we eliminate competition, we eliminate the free enterprise system.

As I pointed out earlier, the fact that 100 percent ownership is not involved is irrelevant. In many cases, merely partial ownership has been held to violate section 7, because of the "reasonable probability"—which the Court reaffirmed as the appropriate test—that competition would be lessened. In a strikingly parallel situation, Benrus Watch Co. was

enjoined from voting a 24-percent stock interest in Hamilton Watch Co. See *Hamilton Watch Co.* v. *Benrus Watch Co.*, 114, F. Supp. 307 (D., Conn.), aff'd, 206 F 2d 738 (2d Cir. 1953). The acquisition of this stock by a competitor was held to raise a danger of a lessening of competition. Benrus' right to elect just one director was held by the district court to give Benrus an opportunity "to persuade or to compel a relaxation of the full vigor of Hamilton's competitive effort," and that referred to just one director; here A.T. & T. will be able to have three.

Do you know, Mr. President, what percent is needed to control a company with a large amount of issued stock?

It is less than 5 percent—5 percent, Mr. President. Contrast this with the 40 percent that A.T. & T. would have.

But this does not tell the whole story, for the other communication carriers who may have slight participation in the satellite corporation are dependent to a considerable extent on A.T. & T. for their very existence. Western Union, RCA, and I.T. & T. lease facilities from the giant A.T. & T.

In addition to being common carriers, these corporations are also manufacturing concerns. Section 201(c) of the bill will not prevent any carrier from achieving a dominant competitive position. Furthermore, if one party dominates, that party will, in the first instance, set the technical specifications. It would be contrary to human nature to expect those specifications to follow anything but the technical ideas and approaches of those who set them. It requires no extended explanation that a party which sets specifications based on its ideas and concepts will have a significant edge in any ensuing "competitive bidding" for hardware produced to such specification.

To expect the Federal Communication Commission to insure effective competition is incredibly naive. And what pious purpose does it serve to say in section 201(c) that the Commission shall consult with the Small Business Administration and solicit its recommendations?

What does it mean? Can it be anything else but just plain window dressing?

As a member of the Small Business Committee, I am naturally interested in securing as great a participation as possible for the many dynamic small businesses of our Nation. H.R. 11040 would serve effectively to limit or preclude small business participation in this broad, rapidly growing area of our economy.

If, as under this bill, the communications carriers own 50 percent of a satellite communications corporation, we can reasonably assume that the manufacturing divisions or subsidiaries of the carriers will be providing most of the equipment.

Mr. President, a good example is the telephone you have in your home or office. Many small companies can manufacture these instruments to the strictest specifications, but the carriers would not purchase them. Western Electric supplies every telephone used by A.T. & T. and all 17 subsidiaries. The other carriers purchase their equipment from their own manufacturing subsidiaries. A small electronics concern that makes high-grade telephone equipment testified before my Monopoly Subcommittee that his company is prevented from growing by the marketing policies of the large telephone companies. In fact, his business was reduced to less than one-fifth of what it was some 10 or 12 years ago.[7] The National Telephone Cooperatives Association, on April 4, testified before Senator KEFAUVER'S subcommittee that its members purchase their equipment on a competitive basis, that the quality is comparable with that of Western Electric, and that there are no difficulties in phasing in their equipment with that of the Bell System. The Federal Communications Commission, however, has been unable or unwilling to bring about competition in the purchase of equipment by the communications carriers—although it has always had the authority to do so.

Let me quote what a former chairman of the Federal Communications Commission said in testifying before the Senate Commerce Committee concerning the requirements of members of a proposed merger:

> There should be no place in the unified company for any such conflicts of interest. Controls must therefore be provided to assure that it contains no elements which are affiliated with foreign interests or connected with foreign operations. By the same token, the company should be divorced of affiliations with domestic communications operations, if we are to preserve separate domestic and international operations. Similarly, it should have no interlocking interests with communications manufacturing operations. The unified company will have dealings with these two fields for the exchange of traffic and the purchase of equipment, and the existence of the influence of these two fields within the unified company would jeopardize the effectuation of arrangements on these matters on an arm's length basis.
>
> The unified company should, therefore, be entirely free of any connections with alien interests, either in its ownership or its management. There should be no affiliation or connection of any kind, direct or indirect, between the unified company and persons having business interests within foreign countries or interests in domestic communications or communications-manufacturing activities.[8]

If we adopted these wise requirements today, almost every one of the major communications carriers would be excluded. That is what I am proposing in the amendment I have at the desk.

The Justice Department's recent and forced enthusiasm for H.R. 11040 cannot eliminate from the public record its concern over one-party domination. In its May 5, 1961, statement in Federal Communications Commission docket No. 14024 it said:

> The Department of Justice firmly believes that a project so important to the national interest should not be owned or controlled by a single private organization irrespective of the extent to which such a system will be subject to government regulation. (Statement, Department of Justice, p. 6.)
>
> It is therefore of vital importance to the national interest that no single private concern dominate satellite communication. (Statement, Department of Justice, p. 7.)

The position thus stated with respect to possible domination of the venture by a single private concern was reiterated by the representative of the Department of Justice attending the Federal Communications Commission's June 5 conference—transcript 30—and was emphasized in the most vigorous possible terms by Judge Loevinger in his appearance before the Judiciary Committee on June 14, 1961. These views were in full accord with the opening statement by Congressman CELLER, chairman of the committee, that it is "crucial" that the Commission "prevent any concern from obtaining a monopolistic, dominant or preferential advantage in ownership participation"—transcript 6—and prevent "any company or category of companies" from obtaining such a position in the ownership of and sale of equipment—transcript 7.

Coupled with the firm position of the Department of Justice and the Celler committee position, we have the June 15 statements of the chairman of the Federal Communications Commission before the same committee, Chairman Minow stated:

> And we are not—I want to be as emphatic on that as I can—we are not going to approve any plan that is going to give one company—whichever one it is—any domination of the joint venture" (transcript, p. 168).

That is what he said then; that is not what the bill provides.

The bill guarantees domination of this venture by A.T. & T.

Shortly before making this statement, Chairman Minow had assured the committee that "we are not going to do anything that does not take into full account the Department of Justice views—transcript 131—or "anything that is not going to comply with the antrust laws—transcript 131.

Here they are trying to carve out an exemption from the antitrust laws, an exemption a mile high and a mile wide.

Mr. Minow then stated:

> And we are searching for formulas which would insure that no—this is one of the tests of our first order—that no single company would be in any position where it could dominate and control the operation of the system.

In spite of all these noble arguments, in spite of the fact that H.R. 11040 violates practically every one of the President's requirements in his policy statement of July 1961—and I hope to discuss this at length at a later date—the administration has indiscriminately and blindly swallowed this bill.

Let me quote a statement by Representative CHET HOLIFIELD in opposing this satellite giveaway bill on the floor of the House on May 2:

> We are in a desperate cold war struggle with the Soviets, not only for the minds, but for the markets of free and neutral nations. If we are to be crippled with the deadweight of monopoly, managed prices, limited production, and unjustified profits, we cannot win. We are doomed to failure.

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[7] Long Hearings, Vol. I, p. 321.

[8] Testimony of Mr. Porter, Chairman, FCC before Senate Interstate Commerce Committee, Mar. 22, 1945. Hearings on S. Res. 187, p. 176.

Listen to this strong statement by EMANUEL CELLER, chairman of the House Antitrust and Monopoly Subcommittee, in opposition to this bill:

Much of the revenue from the satellite system will come from handling the messages on earth. Under my amendment the ground stations of the American part of the space satellite system shall be owned and managed by the corporation. This safeguard is necessary to enable the new corporation to make money, rather than handing its main source of income on a silver platter to the communications carriers.

A.T. & T. has been boldly picketing the Halls of Congress advocating that the communications companies should be the sole beneficiaries of the communications satellite system. To grant the carrier the ground stations would make a gift to a few companies of a potential multimillion-dollar-a-year monopoly.

Actually, it is more than that: It is a multibillion-dollar-a-year monopoly.

A.T. & T. does not come before the bar of the Congress with clean hands. It is an old offender. In 1953, the FCC negotiated with A.T. & T. a rate increase of approximately $65 million a year in long-distance telephone rates. The FCC granted this increase because it believed A.T. & T. was entitled to a 6.5-percent rate of return on net book cost.

Since 1955, however, A.T. & T. has enjoyed a rate of return far in excess of 6.5 percent. In the years from 1955 through 1961, if A.T. & T.'s rate of return had been limited to 6.5 percent, long-distance telephone users would have saved approximately $985 million. Thus, over the past 7 years, A.T. & T. has overcharged the American public by nearly a billion dollars.

That is not my statement; it is the statement of the chairman of the Anti-Monopoly Subcommittee having jurisdiction of matters of this sort in the House. That is the statement of Representative EMANUEL CELLER, who is regarded by many as the leading expert on monopoly problems in the United States. He is a great lawyer and Representative from the State of New York. Mr. CELLER is chairman of the House Committee on the Judiciary. When he speaks about monopoly, he speaks with a deep knowledge of the subject. I have great respect for Representative CELLER.

Late last month the Bureau of the Budget released a report on the FCC by a team of management consultants. This report, like the Celler Antitrust Subcommittee concluded that the FCC "has established no firm criteria governing such rates of return." Moreover the report noted that in 1960 Bell System's purchases from its wholly owned subsidiary, Western Electric, amounted to $1.8 billion "which amount becomes part of the rate base on which the Bell companies expect a rate of return. Apart from occasional review of periodic reports, no examination of the books of Western Electric or other leading telephone equipment manufacturers has been undertaken to determine the reasonableness of charges to the Bell System." This is a barbarous situation. Is the American public paying for this unexamined, high profit? Remember Western Electric is a wholly owned subsidiary of A.T. & T.

A.T. & T. has successfully avoided regulation on earth. Divine guidance will be necessary to regulate A.T. & T. if it is permitted to expand its domain into space.

A.T. & T. has proposed a low-random orbit system which would require scores of satellites and ground stations in order to obtain worldwide coverage. This proposal is made at a time when there is general agreement on the ultimate desirability of a system of three or four high-orbiting synchronous satellites, which would give global coverage and would be cheaper both to set up and to maintain. If the existing communications companies are permitted to own and operate a system of their choice, they will have a strong motive to retard its development and use in order to protect their vast investment in existing equipment and facilities, such as the undersea cables which A.T. & T. is still laying to this day.

Space satellites will revolutionize communications as the airplane revolutionized travel. Air travel as we know it today would still be a mere version if Congress had delivered the budding airlines business into the hands of the existing and established railroads.

Mr. CELLER's amendment was not adopted, and in spite of his vigorous opposition, he voted for the bill. Mr. HOLIFIELD voted for the bill also.

Mr. President, the philosophy of H.R. 11040 violates every principle for which these Congressmen have been fighting for years.

The proponents of this bill say that by allowing firms other than the carriers to have an ownership interest in the satellite corporations, no matter how small the percentage, competitive bidding will be insured. At this point, of course, we do not know how many noncarriers will participate in ownership. The Justice Department's statement of May 1961, however, makes it clear that its thinking goes beyond the mechanics of competitive procurement to the very heart of the problem, to the "irresistable" opportunity to favor the purchase of equipment produced by the dominant company. In Federal Communications Commission docket 14024 Judge Loevinger stated:

Regulation cannot eliminate the inherent advantage accruing to any communications concern which solely owns or controls a system. The continuing opportunity to favor its own facilities would always be present and would inevitably result in discrimination or suspicion of discrimination no matter how strict might be the policy of the dominant company to provide equal service to its competitors.

In the same docket is Judge Loevinger's assertion:

The satellite communications system can well be a prime example of the effective operation of the free enterprise system and it is, therefore, of vital concern, of vital importance, to the national interest that no single private concern dominate satellite communication.

Is it not obvious, Mr. President, that under H.R. 11040, the A.T. & T. will be the dominant force in the space communications corporation operation?

Section 201(c)(2) provides that the Federal Communications Commission shall—

insure that all present and future authorized carriers shall have nondiscriminatory use of, and equitable access to, the communications satellite system and satellite terminal stations under just and reasonable charges, classifications, practices, regulations, and other terms and conditions and regulate the manner in which available facilities of the system and stations are allocated among such users thereof.

This sounds fine. Certainly there can be rules as to equitable, nondiscriminatory treatment in connection with the use of available facilities. But rules can go only so far. Apart from the practical question of who, for example, would decide, in the first instance, what is fair, equitable, and nondiscriminatory in the day-to-day operation of the system, the real test of dominance lies in ownership, control, and management; it lies in who controls and determines fundamental financial questions. It lies in who determines whether the system should be expanded, and on what basis; in who determines how technical differences are resolved, and so on. If there is domination by the A.T. & T. as this bill assures, the critical decisions will, in reality, be made by that huge private monopoly.

In the words of Representative CELLER:

American Telephone & Telegraph Co. so overshadows the others in assets, in importance, in prestige, it would mean, in essence, that the American Telephone & Telegraph Co. would dominate this situation.

This, in turn, would put A.T. & T. in a position to make the day-to-day determination of what could be to the detriment of the public.

Although such action will supposedly be subject to review by the Federal Communications Commission, such regulation from an external source is no substitute for "structuring" a system with a "built-in protection against domination and its results."

In summary, Mr. President, I raise the serious question of "domination" which this bill, H.R. 11040, fails to answer. Instead we are given a formula which assures domination of the system by the A.T. & T.

Since we would be in reality giving this great public resource as a gift to the American Telephone & Telegraph monopoly, let us be honest and aboveboard about it. Let us eliminate the window dressing which is designed merely to blind the eye and cloud our understanding.

Mr. President, in my judgment the enactment of this giveaway bill would constitute the most wanton and the most inexcusable piece of folly every perpetrated in our country. The enactment of this measure would haunt the Democratic Party for generations to come.

There was a time—and I hope there will be again—when the Democratic Party successfully held the mountain pass against privileged groups and against every attempt on the part of these groups to usurp the power of this Government and pervert it to their own purposes. Here we are again faced with this exact problem in a practical form; this is one of the issues posed by H.R. 11040. This issue can no longer be evaded or postponed.

Mr. President, in connection with the attempt in the press to state that we are filibustering against this bill, I should like to point out that I spent more than a year studying this subject matter. As chairman of the Antimonopoly Subcommittee of the Small Business Committee, I spent more than a year, with the aid

of competent staff help, studying this matter and trying to comprehend it fully. After I had studied it for that length of time and had understood as much as I possibly could about it, I came to the Senate and said the bill should be defeated. This is my second speech to the Senate on this subject. I know that previously I spoke on the bill for about 8 hours. But this bill is so very bad that I believe Senators who thus far have felt they wish to vote for the bill should do themselves the justice of hearing several months of debate on it—unless they are willing to vote to junk the bill, which certainly should be done, because the bill is no good.

But certainly it is ridiculous for charges of filibustering to be made before I have completed my second speech on the bill and before many Senators have even made their first speech on it.

I realize the great public-relations power that is possessed by the Bell Telephone System and its subsidiaries, which include Southern Bell, Chesapeake & Potomac, and all the rest. Approximately 95 percent of all the telephones in the United States are owned by this company. So I realize the enormous power it has in connection with public relations through the press. Certainly the press should see that the people learn the truth about our side of the argument in regard to this measure; namely, that a serious monopoly problem is involved.

The chairman of the Antitrust and Monopoly Subcommittee of the Judiciary Committee condemns the bill as one of the worst he has ever seen; and I have been chairman of the Antimonopoly Subcommittee of the Small Business Committee ever since that committee was established, 14 years ago. This is one of the worst bills I have seen.

Unfortunately, most Senators seem to have become committed to favoring the bill, and evidently do not wish to hear speeches against it. For example, it was understood that today I would speak against the bill; and at this time we find only one or two Senators in the Chamber. But even if only a few Senators hear me, I shall speak against the bill.

Mr. President, such a situation has developed before. Out in the reception room there is the picture of Bob La Follette. He was selected as one of the five greatest U.S. Senators of all time. The picture of William Borah is not there, although his statue has been placed in the corridor between this Chamber and the rotunda.

Let me say that certainly the Republican Party is in very bad shape when it no longer has any Bill Borahs and George Norrises. In fact, the last one in that group who was in the Republican Party had to decide to leave it and come over to our side of the aisle. I refer to the senior Senator from Oregon [Mr. MORSE]. Apparently no place is left in the Republican Party for one who entertains those views.

However, Mr. President, the great men who have made those fights, and have persisted in them even when they have lost, are regarded by the great majority of American people as some of the very greatest U.S. Senators ever to serve. Thank God we have such men who are willing to stand up and fight for the maintenance of the antitrust laws.

Mr. President, as we stand here and fight against the effort to make it possible for the greatest monopoly in the world to escape the application of the antitrust laws which those great men helped put on our statute books, so as to maintain free enterprise and competition, sometimes I wonder whether we are really doing justice to those whom we respect, revere, and admire for the great fights they have made both to place antitrust legislation on the statute books and also to see to it that it remained there and was followed, and was strengthened whenever loopholes in it developed.

Mr. President, while I am on that subject, I wish to commend the two Senators from Tennessee [Mr. KEFAUVER and Mr. GORE] for their position in regard to this matter.

I have not always agreed with them; sometimes I have thought they were just as wrong as could be, at times when they opposed some of us in connection with some measures. Certainly I could not have disagreed with them more than I did on the basis of the position they took in regard to the tidelands bill. I was entirely in favor of the tidelands bill.

However, Mr. President, they have been here, in the forefront; and whenever they have gained the impression that a bill would give a great advantage to vested interest, at the expenses of the people, they have—without exception—"put on their fighting clothes" and have engaged in the battle.

The junior Senator from Tennessee [Mr. GORE] was probably the moving force in connection with preventing the Government's right to the patents developed as the result of its research work in the field of atomic energy from being given away, at the expense of the American people. He made a magnificently fight, and he pretty well won that fight. He won most of what he was fighting for in the atomic energy bill.

As one Member of this body, I had no idea of winning it. It seemed to me hopeless and a mere gesture. I suppose, if they had invoked cloture, that fight would not have succeeded and our investment in atomic energy would have been given away to a monopoly or to a few monopolies.

These two Senators are fighting now in the same tradition to see that this does not happen with respect to the pending legislation.

The senior Senator from Tennessee [Mr. KEFAUVER] has fearlessly, and without exception, fought to the bitter end against every bill that appeared to him to be one to establish a monopoly or to undermine the basic free enterprise structure of this Nation by means of monopolistic combines.

I recall, when the junior Senator from Louisiana first came to this body in 1949, the so-called basing point bill came up. It was an awful bill. It got through the Senate with no more than token resistance, almost by a unanimous consent agreement, but it contained the Kefauver amendment, and those big monopolistic concerns took a look at the bill and said, "Oh, my goodness, if that Kefauver amendment stays in there, we may as well not have a basing point bill." So they went to work to take it out, and succeeded in conference.

Senators will remember that killed the bill. With that provision out, we said, "If that is the way it is going to be, we are going to fight against the conference report." Senators will recall that the Senate adjourned without passing the bill. Subsequently, we came back the next year and fought the battle all over again. Well, that bill got through, but the President vetoed it, and we had the votes to uphold the veto, and we succeeded in killing that horrible bill.

After all, the preparations have been made to make the bill look desirable by going through several committees——

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. Does not the Senator recall that in the effort to get an amendment that would take away some of the monopolistic giveaway of the basing point bill, the Senator from Louisiana and other Senators joined in support of it, and at that time we were subjected to the same kind of carping criticism for trying to protect the public interest that is being leveled at us now; but later our position was sustained by the President of the United States, and by the country?

I say here that the Senator from Louisiana, not only in the basing point fight, but in the fight against the effort to give away patents on atomic energy, and in all other fights to prevent giveaways, which were "peanuts" compared to this one, the Senator from Louisiana has been a valiant fighter. I want to say publicly that his position has always been sustained by the public in his effort to protect the heritage of this country, even though his stand may have been unpopular at the time.

Mr. LONG of Louisiana. I thank the Senator from Tennessee. I greatly appreciate his compliment. I assert that he did not get to be chairman of the Antitrust and Monopoly Subcommittee just by accident. He became chairman of that subcommittee because the Senator from Tennessee had always exhibited a great interest in preserving free enterprise by resisting the growth of monopoly.

Even before he came to this body, the Senator from Tennessee had a reputation, as a Member of the other body, as one interested in strengthening the antitrust laws and in preserving the antitrust laws from the assaults of monopolies which would destroy and undermine the right of the people to expect free competition.

Had it not been for the Senator from Tennessee, I suspect the Nation would be in much worse shape than it is today insofar as concerns the right of small business to compete with large business

and the right of monopoly to snuff out new competition. That is what we are fighting for here.

Mr. KEFAUVER. Mr. President, will the Senator yield further?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. I appreciate the remarks of the Senator from Louisiana. Does the Senator agree with me that the reason why the cloture motion was filed today, cutting off the opportunity of many Senators who want to speak on the bill and who have not had an opportunity to do so, and cutting off any effectual ability to present amendments, of which there are many on the desk, is that the proponents of the bill are finding out that the public, the people, are catching on to what the bill is? The proponents of the bill know that the tide of public sentiment is turning against them. They know that, if the debate were carried on for a week or 10 days longer, the public would revolt against the provisions of this bill.

Does not the Senator agree with me that the reason why they are trying to ramrod through the bill at the present time is so public opinion will not be formed against the bill? We know that there is a lot of misinformation about it, and that when the American people get the message of the giveaway of the heritage of this country, as they are beginning to get the facts about this bill, they will not stand for it? The communications I and others who are opposed to the bill have been getting are in increasing volume. People who thought it was all right to begin with have changed their minds. A former President of the United States is speaking out against the bill.

So does not the Senator think that an effort is being made here to satisfy the lobby pressure and get the giveaway bill over before the public can catch on to what is going on?

Mr. LONG of Louisiana. I am not in complete agreement with the Senator, but I think I am correct when I say that there is nothing which upsets one who is for a piece of legislation more than seeing Members of Congress debate a bill, take it apart and criticize it with good arguments. They watch the opposition gain more and more votes. This is especially true when one has committed himself to getting a bill through or passed, and it is frustrating to see votes slipping away.

From the point of view of lobbyists, let us face the fact that American Telephone & Telegraph Co., with its 17 subsidiaries, could bring enough people in here not only to fill the galleries, but to fill Washington, D.C. Bear in mind that this is a $29 billion corporation already, the biggest that has ever existed in the history of mankind. I know it must frustrate these lobbyists to watch first one Senator and then another become convinced that this is a bad bill. We were told that when the bill went to a vote on the House floor there were only about eight votes against it in the House.

I suppose if it had been possible to bring the bill to a vote when the bill first came from the House of Representatives, more than half a dozen Senators would have voted against it. More than that will vote against it when a vote is reached on it, if the "gag rule" is put on the Senate. I am not sure that the proponents will succeed in putting the "gag rule" on it.

Mr. KEFAUVER. Mr. President, will the Senator yield for a further question?

Mr. LONG of Louisiana. I yield for a question.

Mr. KEFAUVER. Has not the Senator learned that a great many Members of the House of Representatives have regretted their votes exceedingly? That view has been expressed to me. The bill was brought to the House, and the picture that was painted was, "We must get on with this quickly, or we will lose out."

If there could have been a fair and free debate in the House of Representatives there would have been a very grave question as to whether the bill would have passed the House of Representatives.

Mr. LONG of Louisiana. Mr. President, there is no doubt whatever in my mind about that. If the House rules had permitted what the Senate rules permit—an opportunity to prepare an argument, to explain an argument, to develop an argument and to make a case—and if the bill had been subjected to 2 weeks of debate in the House of Representatives, a great many House Members would have voted against the bill who did not vote against it when it was brought before the House and, after a few hours of debate, put to a vote. When Members of Congress are permitted to develop their arguments and make their cases, as the Senator well knows, the result is usually a very different matter.

Mr. KEFAUVER Mr. President, will the Senator yield further?

Mr. LONG of Louisiana. I yield for a question, Mr. President.

Mr. KEFAUVER. Did the Senator see an example of the kind of lobbying which is going on—to pressure for the passage of the bill at the present time and to silence Senators who might oppose it—in the Washington Post and Times Herald the day before yesterday, in the article in which I believe Jack Anderson, substituting for Drew Pearson, reported that a small newspaper in Minnesota, with a circulation of about a thousand, dared to publish an editorial critical of A.T. & T.'s attempted grab of the communications satellite, explaining how the public relations director for A.T. & T. in Minnesota moved in and, first, canceled the advertisement in the little newspaper? Then he went into the town and admittedly talked to more than a dozen persons, to try to persuade them to withdraw their advertising from this little paper, which had a circulation of about 1,000, even implying, according to one witness, that the editor of the paper might be a Communist or communistically inclined.

But the brave editor of that little newspaper stuck by his rights and faced the big Goliath notwithstanding.

Is that not an example of the kind of lobbying which is going on all over the United States, by mammoth corporations which are interested in receiving the benefits of this giveaway?

Mr. LONG of Louisiana. I am sure they do it subtly. I do not believe they do it too brutally. The A.T. & T. has learned how to use its power with the greatest amount of finesse and discretion. It is the greatest monopoly in the world, and has been in this business for perhaps more than 100 years. I am sure this great company has learned how to use its finesse so as not to be more brutal than necessary.

My opinion is that the episode in Minnesota is not the standard procedure advocated by the company. It would desire to operate more subtly, by not renewing the advertising contract, or hinting to someone that the advertising contract would not be renewed with the newspaper, because the newspaper seemed to be "unsympathetic to free enterprise." Of course, "free enterprise" and "monopoly" are the same thing in the point of view of this company.

So in the name of "free enterprise" it would say that it would not be desirable to continue advertising in a newspaper which wrote socialistic or communistic ideas, or something like that, merely because the newspaper did not agree with the company with respect to the satellite communications bill.

Mr. KEFAUVER. Mr. President, will the Senator yield further?

Mr. LONG of Louisiana. I yield to my friend for a question.

Mr. KEFAUVER. The conversations reported to have occurred with the head of public relations of A.T. & T., and the extreme pressures exerted by the 15 persons who were sent into this small town to try to ruin the little publisher who dared to criticize A.T. & T. have not been denied by the American Telephone & Telegraph Co. or its public relations expert; is that not true?

Mr. LONG of Louisiana. So far as I know, that has not been denied. I do not think it would have been said if it were not true.

The Senator made reference to the editorial. I saw the editorial. It is one of the few published by any newspaper in America dealing with the crux of the problem. Very few have dared to print anything about A.T. & T. overcharging the public in the past several years by more than a billion dollars.

We know what is the real purpose of the bill.

Mr. KEFAUVER. There is no question about what the purpose of the bill is.

Mr. LONG of Louisiana. We know what A.T. & T. fears. It is that the new communications satellite would make possible an enormous reduction in long-distance rates. That is what A.T. & T. fears. A.T. & T. thinks it had better get control, so that does not occur.

Let us face the facts. At present, if a person wishes to make a telephone call from here to Europe, it costs about $12 for 3 minutes. A serviceman who wishes to call his mother from Europe, to find out about a death in the family, or a tragedy in the family, who talks about 15 minutes, incurs a cost of about $50.

I am told that when the synchronous satellite is put into orbit, those who hope to have a major part in doing it—but not A.T. & T., for it is hard to get facts out of them; I am talking about the Hughes people, as an example—think that in a couple of years they could have the satellite up with some 1,200 channels for voice alone, and that with only 40 of those channels fully used, at 50 percent of the existing rates, they would be making a profit.

Mr. KEFAUVER. I heard the same testimony.

Mr. LONG of Louisiana. That shows the great possibilities with respect to reductions in long-distance telephone rates.

At present, if the telephone company puts through a call to Los Angeles, it probably has to go through about 50 or 100 microwave towers, each of which must relay the signal, because one cannot build a tower high enough for straight coast-to-coast sending line-of-sight by microwave. To do so would require two towers 300 miles high, one at each end.

There is another way to do this job. It is possible to put a satellite some 22,290 miles in space and send the signal to the satellite and relay it back, with only one relay. That would make it possible for a person to talk by relaying the signal only once from the sender in this city to the receiver, let us say, in Los Angeles.

To show how corrupt the bill is, there is much more telephone traffic between New York and Los Angeles than there is between New York and London. If the proposed system should be built, anyone who has the capsule, the communications satellite, naturally would wish to do business with persons who would talk between New York and Los Angeles. The distance is about the same as the distance between New York and London. There is not much difference in the distance. The two cities are somewhat similar in distance from New York. One would prefer to have the business between New York and Los Angeles, rather than the business between New York and London.

Why is there not something in the bill on that subject?

Mr. KEFAUVER. The bill discourages it.

Mr. LONG of Louisiana. Why discourage it?

Mr. KEFAUVER. Surely; why discourage it?

Mr. LONG of Louisiana. It would compete with the existing system. The company wants to charge for putting a telephone call through 50 microwave towers, and collect long distance rates for all those towers, although the call could be put through with one simple relay; namely, the satellite in space.

As the Senator knows, at a distance of 22,290 miles the satellite would appear to stand still and remain at one point at all times. It would go around the earth over the Equator at about 8,000 miles an hour. The satellite would be in the air about eight times as high over the earth as from the center of the earth to the earth's surface. The earth's surface moves at about 1,000 miles an hour. The result would be that the satellite would appear to stand still overhead at all times, exactly as appears to be the case with the north star, which one can see at any hour of the night. If one could see the satellite in the air, it would appear to be in one place. About the ideal position would be to have it southeast of where we are now. Then one could communicate by using it at all times. Using only one of those satellites, it would be possible to reach 92 percent of all the telephones in the world.

Mr. KEFAUVER. The same thing applies to television stations.

Mr. LONG of Louisiana. Or television stations. In my opinion, the Telstar is a bunch of junk. It is no good. Of course, editorials were written stating how good the system is. We could not use it now. We could not call anyone by Telstar. Does the Senator know why? Telstar is on the other side of the world. We could not reach it. For only 10 or 15 minutes every so many days the Telstar comes by so that messages could be sent by it. Would not the Senator be in a fix if he were trying to call his wife in Europe by Telstar? He would be better off to use the pony express.

Mr. KEFAUVER. Mr. President, will the Senator yield further for a question?

Mr. LONG of Louisiana. I yield for a question.

Mr. KEFAUVER. Does not the bill substantially commit the U.S. Government for all time to a low-orbit system—Telstar—and leave it in the hands of a corporation—not in the hands of the President or the Federal Communications Commission—to determine whether there is ever to be any change or not? In other words, whether we are to have the best system, which the Senator has described, or whether we are to have a system that within future years will be considered junk, is in the hands of a private corporation dominated by A.T. & T. We shall have lost our opportunity to have a better and more modern system that would enable us to have an international communications satellite in the world.

Mr. LONG of Louisiana. Mr. President, in my opinion the American Telephone & Telegraph Co. will, if it can, delay the development of that fantastic new communications system for radio, television, and long distance telephone conversations. It will deliberately delay the development and realization of that system, because the system would reduce what the A.T. & T. could charge with the existing system. When the circuits are secured, the A.T. & T. will use all the power it has in the Government—and the Senator knows that the Government is honeycombed with former A.T. & T. executives—to see that rate reductions come very slowly and gradually, if at all.

Mr. KEFAUVER. Yes. That is one reason why it does not want the debate to continue. Its executives know we will talk about the honeycombing of NASA, the Air Force, the Federal Communications Commission, and other Government agencies with alumni of A.T. & T. who are using their power to promote the A.T. & T. cause.

The Senator has said that A.T. & T. would use its influence to maintain a low-orbital system. The bill substantially provides for that. I call attention to pages 26 to 28 of the bill. Instead of the President having discretion to decide on the best system, the Senator will observe that subsection 7, on page 26 of the bill, provides:

(7) so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad.

On page 28, subsection 4 provides:

(4) insure that facilities of the communications satellite system and satellite terminal stations are technically compatible and interconnected operationally with each other and with existing communications facilities;

What is obviously meant is that whatever we agree upon—the A.T. & T. Andover low-orbit system, its satellite, and whatever else it may build, including low-orbital ground stations—the President would be required to see that they are coordinated with the existing facilities. Neither he nor the Federal Communications Commission would have power to order the corporation to see to it that we have the best system or that a change is made from a low-orbital system to a high-orbital system. That is the clear meaning of the bill. It cannot be read in any other way.

Mr. LONG of Louisiana. It is bad. In my opinion, it is evil. But there is a provision in the bill that is much worse than that.

Mr. KEFAUVER. I agree with the Senator. There are many evils in the bill.

Mr. LONG of Louisiana. I do not have the reference at my fingertips. The Senator may be more familiar with the technical provisions of the bill. The bill provides that when the Government puts its own satellite into space for military purposes, and only about 1 percent of the capacity in the Government circuit is added, the State Department and other Government agencies must use the A.T. & T. system, even though it may be no good, and although the Government has a satellite in space that is not being used.

Mr. KEFAUVER. The Senator is exactly correct. That is the provision of title II, section 201, subsection 6, in which it is provided:

(a) the President shall—

(6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs; and

"Unique" has been defined to mean, or the RECORD shows that it means, unless the Government is handling some kind of coded messages. In other words, all the Government commercial business, including USIA and the great number of messages that Agency must send, must go through the private corporation system, even though the Government might have its own satellite in space with unused channels. The Government

must pay the commercial rate for using the commercial system. In other words, the proposal is not only a giveaway to begin with, but also it is a continuing giveaway by virtue of a subsidy. The Government would pay through the nose for the use of the system.

Mr. LONG of Louisiana. Ed Murrow has told us that if he is to do a reasonably creditable job of getting our story around the world in opposition to Communist propaganda, he requires use of telephone and cable facilities under existing methods at least 90 minutes a day to broadcast our side of the story to all countries to which he wishes to broadcast. He said that it would cost $900 million at present rates to use the A.T. & T. system. Congress will not provide the $900 million to do the job of fighting communism. He must settle for about 10 percent of that amount or less.

Mr. KEFAUVER. Mr. Murrow's budget is only $110 million.

Mr. LONG of Louisiana. If we should put the satellite in space, and we had enough money to operate the satellite, it would cost only a few million dollars extra to broadcast information around the world, through Ed Murrow, in our fight for democracy and freedom.

The proposed law would say, "Oh, no. You cannot do that. Give it to A.T. & T., even if you cannot afford it."

Who in his right mind would vote for that kind of measure? But that provision is in the bill.

Mr. KEFAUVER. It is on page 37 of the bill. It is very definite.

Mr. LONG of Louisiana. Under a gag rule of the Senate we would be asked to state that the Government may not use its own radio station. It may not use its own telephones and facilities for which it has paid and developed. After the Government has spent $25 billion and has reached the point it has reached we must enact a law that provides that the Government cannot have the system for the benefit of the people of our country.

That is ridiculous. The Senator from Tennessee ought to be defeated if he voted for that type of measure. I know he will not vote for it.

Mr. KEFAUVER. Mr. President, will the Senator yield further?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. I feel very much as did the Senator from Oregon. If I had to vote for the bill in order to keep my seat in the U.S. Senate, much as I love being here, I would never vote for the bill. I do not see how any Senator, in good conscience, could do otherwise if he would study the bill. It is a most one-sided and unfair bill. It would give away rights without any protection. The question is always what the President would do for the corporation, what NASA would do for the the corporation, what the State Department would do for the corporation. The corporation would do nothing for anyone, except to receive double returns and insure against Government use, insure great payments, and insure the absence of competition with existing carriers.

Mr. LONG of Louisiana. It is proposed to lock Uncle Sam in jail, and to hog-tie him and tie his hands and feet behind his back but leave his pockets open so A.T. & T. can get at his money.

Mr. KEFAUVER. That is why they are trying to rush this bill through.

Mr. LONG of Louisiana. I do not know why they are trying to rush the bill through. Under the rule, as the Senator knows, I must give those who propose the bill credit for the best possible intentions, otherwise I will be put in my seat. I am sure that they are motivated by the best motives in the world. I must say that if I want to keep the floor. Frankly, I respect those who are supporting the bill, but I do say that I have never seen a bill that is as completely indefensible as this one is, in that it is proposed that the Government cannot use its own Government-owned facilities to send Government messages. It is about as ridiculous as it would be to say that the Government cannot buy electric power from TVA, from those big dams the Government has built in Tennessee, and cannot buy electric power in order to light a bulb in a Government building.

Mr. KEFAUVER. Or that the Government cannot ship its own merchandise across the ocean in Government transports, but must pay commercial rates to the corporations that own the shipping lines.

Mr. LONG of Louisiana. If we go any further with this thing, we will be passing laws one of these days which will provide that an American soldier on the battlefield cannot fire a bullet against an enemy unless he has first paid that day's royalty to the company that manufactured the rifle.

It is ridiculous. The Senator knows it is ridiculous. That is why he is fighting the bill. Why should it be necessary to invoke the gag rule on Senators even to the point of not having a Senator read his amendments so that it would be possible to strike out some of this mischief? It is necessary to read an amendment before the gag rule goes into effect, or a Senator will not be in a position to offer his amendment. Has the Senator ever seen anything so ridiculous? I hope he will put his reply in the form of a question.

Mr. KEFAUVER. When Norris and La Follette and Shipstead carried on long debates, they would at least be allowed time to offer amendments and get them considered. They at least had an opportunity to speak. In the present situation the gag rule is applied before the case is developed, before the country is informed, and before Members of the Senate know all about this bill. It is a technical bill. I have never seen anything like it in the 24 years that I have been in Congress.

Mr. LONG of Louisiana. That is the way it appears to me. I regret that the Senate did not see fit to let the one committee consider the bill that should have considered it. That committee is the Judiciary Committee. This is a strictly antitrust problem. I am very much interested in antitrust matters, and this is certainly a matter that should have gone to the committee which has jurisdiction over antitrust laws.

It is not unprecedented for us to send a bill to more than one committee, if it contains various problems. For example, we used to send the foreign aid bill to both the Armed Services Committee and the Committee on Foreign Relations. Here is a bill that would fasten this monopoly on the backs of the people and stick them with it forever at a fantastic cost, with all kinds of conflicts of interest involved.

The Judiciary Committee has never been permitted to look at it. The Senator knows why. The reason is that the Subcommittee on Monopoly is headed by the senior Senator from Tennessee. There was good reason to keep it out of that subcommittee. That is one place where this subject would have been fully explored.

Mr. KEFAUVER. It should have been referred to our committee for consideration. If it had been referred to us, to the extent that I have any influence, it never would have come out in the shape it is in now. We would not be establishing a monopoly. We would not be giving our rights away. We would add some protection for the little people, whom the Senator is trying so hard to protect in his hearings, in the Small Business Subcommittee which he heads so well.

Mr. LONG of Louisiana. There is not much in the bill to protect them. I salute the Senator from Tennessee for trying to do everything in his power to bring to light these many shortcomings which have developed. I have tried to do some limited justice to the monopoly aspects of the measure, both today and in my previous speech on this subject.

Those who try to contend that this fantastic new monopoly should be created like to hide behind the argument that the Federal Communications Commission would be able to protect us from all of the evils that we have discussed. That is just not correct. I have gone into this matter at some length. I am in a position to say that I am satisfied that if people think that the Federal Communications Commission is going to protect them on the basis of this bill, they are laboring under a fancy illusion. It is incumbent on us, therefore, that we examine this record very carefully.

First, I would like to analyze the role of the Federal Communications Commission in regard to communications satellites, and then the effectiveness of the Federal Communications Commission's common carrier and especially telephone regulatory function.

My analysis leads to the conclusion, first, that the Federal Communications Commission has been and is using its public role to foster the interests of the communications common carrier companies, especially those of A.T. & T., in their efforts to obtain a private monopoly of communications satellites. This is, in my judgment, to the detriment of the interest of the general public.

It leads to the conclusion, second, that a shell game is being played on the rest of the administration, the Congress, and the American public in which the alleged "regulation" which the Federal Communications Commission is said to practice on the companies is the shell beneath which lies an uncontrolled private monopoly.

It leads to the conclusion, third, that neither this Federal Communications Commission nor any other so-called regulatory machinery is capable of coping with the fantastic grant of privilege which would be given away by a decision to turn the communications satellites over to the private corporation which this bill seeks to establish.

1. ROLE OF FEDERAL COMMUNICATIONS COMMISSION IN COMMUNICATIONS SATELLITES

What has been the role of the Federal Communications Commission in regard to communications satellites?

The Federal Communications Commission has the responsibility for allocating to nongovernmental uses the radio spectrum in the United States. This is a technical matter clearly within its range of expertise in this special field.

Is the Federal Communications Commission possessed of expertise on communications satellite technology? Only to the extent that it is told about it by the military and civilian procurement and research and development agencies of the Government and by private industry. It conducts no substantial original research or development work in this area itself. Mr. Minow testified that the Federal Communications Commission has no scientists or engineers.

Mr. President, I shall digress from what I am about to say concerning the authority of the Federal Communications Commission.

The junior Senator from Louisiana feels a little put upon to be treated as though he were really conducting a filibuster, when as a practical matter he is not doing that at all. I believe that I ought to know what constitutes a filibuster. I have been in many filibusters. I have participated in filibusters and have helped to organize them. I am not ashamed of filibustering. A filibuster has respectability where I come from.

I have been chairman of the Subcommittee on Monopoly of the Committee on Small Business. Since that committee and the Subcommittee on Monopoly were created about 14 years ago, I have spent much time studying the subject of monopoly. I think I can prove to the satisfaction of anyone that what I am saying about the monopolistic aspects of the bill and the inability of the Federal Communications Commission to cope with the communications aspect of the bill is correct. I believe I am presenting evidence that needs to be presented, and much of it is being presented today for the first time. As I recall, this is my second speech on the bill, and what I am saying today is a part of the preparation I had made before the bill was ever called up, and which I felt the Senate should understand before it voted on the bill.

Something has been said about the failure of the Senate to obtain a quorum 2 weeks ago today. I was not here on that day. I was seeking to have myself reelected to this office. I was in Louisiana, running, and incidentally, running pretty good. If I had not been there, I might have risked not getting as many votes as I did. Of course, I might have done just as well had I stayed up here because by endorsing some of the other candidates, I might have chased off someone who might otherwise have been interested in voting for me. Nevertheless, I did go to Louisiana, and the Senate had to operate without me. It is necessary for Senators to return to their States when they are running for office, especially if they are in trouble. If they do not go home, and they are defeated because they have not done so, they should be criticized for their failure to go home and state their case.

I hoped this bill would not have been brought abruptly to a vote a week ago last Saturday, when I could not be here, because I wanted to have the opportunity to explain my views, as I am now doing.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield, without losing his right to the floor?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield to the Senator from Florida without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I am sure I speak for every other Member of the Senate, as I speak for myself, when I say we are all very happy not only about the renomination of the distinguished junior Senator from Louisiana, but also because he has prevailed so overwhelmingly. We are glad that he attended to his home fires. It was not possible to insist upon a vote while he was away, and I think the Senator knows that.

The Senator from Louisiana has been a little overmodest in his statement concerning his participation in filibusters. Not only has he participated; he has participated very, very effectively. It is my humble judgment that he has such great knowledge and technique in that field that sometimes, when he is not filibustering, as he stoutly maintains is the case now, he creates the impression, at least among some of his friends, that he may be filibustering. If we have gained a false impression of the matter, we apologize to our distinguished friend. We are happy that he will be back with us.

Mr. LONG of Louisiana. I thank the distinguished Senator from Florida. I have the highest regard for both the Senators from Florida. In my judgment, both of them are great statesmen.

I know the senior Senator from Florida [Mr. HOLLAND] does not have an election coming up soon; so he has no problem in that connection. But I certainly hope the junior Senator from Florida is successful in his election. Even though I think he is making a very bad mistake in connection with this bill, I hope it does not harm his chances of success in the election. I hope it does not turn the voters of his State to the Republican Party—from disappointment about the attempt to use a gag rule in the Senate.

I thank the Senator from Florida for his kind remarks, and I appreciate the source.

So, Mr. President, at this time I wish to discuss briefly the qualifications of the Federal Communications Commission to do this job. Is the Federal Communications Commission possessed of expertise on communications satellite technology? Only to the extent that it is told about it by the military and civilian procurement and research and development agencies of the Government and by private industry. So, Mr. President, as a practical matter the Federal Communications Commission is not qualified to do this job. It conducts no substantial original research or development work in this area itself. Mr. Minow testified that the Federal Communications Commission has no scientists or engineers.

2. AUTHORITY OF FEDERAL COMMUNICATIONS COMMISSION

The only other basis for concern with communications satellites which the Federal Communications Commission has rests on the statement of legislative purpose for the creation of the Commission which says:

> For the purpose of regulating interstate and foreign commerce in communication by wire and radio so as to make available, so far as possible, to all the people of the United States a rapid, efficient, nationwide, and worldwide wire and radio communication service with adequate facilities at reasonable charges.

That quotation is from the Communications Act of 1934, as amended, section 1—a section of the act which directs the Commission to keep itself informed as to technical developments and improvements in wire and radio communication, so that the benefits of new inventions and developments may be made available to the people of the United States—section 218. Another section authorizes the Commission to study new uses for radio, provide for experimental uses of frequencies, and generally encourage the larger and more effective use of radio in the public interest—section 303g. Certain regulatory responsibilities as to the reasonableness of rates and the provision of service by common carriers are also included.

The Communications Act of 1934, as amended, however, does not give the Federal Communications Commission authority to prescribe the organizational form for the conduct of a communications activity. It does not give it authority to determine when and how business organizations engaged in common carrier communications may conduct foreign relations for the United States. It does not give it authority to determine when and how communications common carriers may merge. Indeed, mergers of cable and radio companies are forbidden—section 314. The act does not even give the Commission explicit authority to recommend to Congress amendments to the act or new legislation—except with respect to safety of life and property—section 4(k).

3. H.R. 11040 CREATES MERGER OF COMMUNICATIONS CARRIERS

In effect, the pending bill proposes the creation of a merger of the international carriers. It is, therefore, relevant to consider the kinds of public policy consideration which have been taken into account in connection with earlier attempts at merger. We are here dealing

with, first, the American Telephone & Telegraph Co., which enjoys a monopoly of oversea telephone service; and second, two companies which share the undersea telegraph cable business, and which divide the great bulk of the oversea radiotelegraph traffic. They are RCA Communications, Inc., and the International Telephone & Telegraph Co.

Over the past 30 years, a number of efforts have been made by telegraph companies and by assorted Government agencies to get agreement among themselves and from Congress on legislation which would permit some kind of permissive or mandatory merger of these cable and radio carriers. As the report of the President's Communications Policy Board said, in 1951:

Proposals for merger of American companies providing cable and radiotelegraph services have provoked vigorous debate ever since radio emerged as a practical means of international communications.

The traditional American policy against monopoly has affected this debate throughout. Fundamental to this problem is the possibility offered by radio of providing, with relatively small capital outlay, circuit capacity exceeding the normal requirements of international communications. This raised difficult economic questions of cost of service, and the future profitability of cables in the face of radio competition.

Several of the companies have asked permission to merge in the hope of avoiding deficits. From time to time, some Government departments have favored consolidations for reasons of national defense, conservation of radio frequencies, or for other reasons, while other Government departments have opposed consolidation. Some of these agencies have shifted their positions from time to time on the desirability of one or another form of merger. At no time have all the interested executive agencies been in agreement on this issue. As of May 1950, this was still the case.

The move for merger in the field of international record communications [telegraph] has never been able to win complete congressional support because of traditional resistance to monopoly. Numerous hearings have been held by committees of the Congress, but no legislation has resulted (p. 151–152).

Here we see that there is a genuine tradition of congressional opposition to a merger, when essentially the same factors as those in connection with the communications satellites are involved, or when a concern with a vested interest in a potentially obsolete technique desires to obtain freedom from competition from a new and more economical technique. Also, we must remember that during all these decades, proposals to merge telephone-voice communications with recorded communications were not even given serious consideration.

4. DESTRUCTION OF GOVERNMENT-OWNED COMMUNICATIONS SYSTEM AFTER WORLD WAR II

Two attempts to get congressional approval for the merger of these international telegraph common carriers are directly relevant to the present communications satellite issue. The first of these was in 1945, when hearings on Senate Resolution 187 were held before the Senate Committee on Interstate Commerce. We were then at the end of World War II; and the testimony from the Army, the Navy, and the Federal Communications Commission was that the Army radio communications system alone consisted of some $162 million worth of the latest type of equipment, which would be dismantled. Of this equipment, $116 million worth was overseas; and General Ingles testified that about half of it would not need to be moved in order to serve commercial purposes. At that time the combined net investment for international service of all of the international common carriers was not quite $52 million, and they had a total of 6,000 employees. Considerable interest was expressed in the utilization of this latest type radio plant, scattered around the world. But the equipment was dismantled and disposed of. That was the most recent giveaway of a publicly owned communications system prior to H.R. 11040, the present proposal in connection with communications satellites.

Let me quote from the testimony submitted at one of those hearings. Mr. Porter, then Chairman of the Federal Communications Commission, was testifying:

Mr. PORTER. I believe that the gentlemen of this committee have had the privilege of witnessing the tremendous modern and efficient Army and Navy communications system which have been built up during the war. In his testimony before your committee, Admiral Redman gave you some indication of the Government's investment in the Navy system alone, which, as you know, is smaller than that of the Army.

The CHAIRMAN (Senator Burton Wheeler). Frankly, when you take into consideration the investment that the Government already has and if you further take into consideration that there are only 3,000 employees in this industry in this country, I am rather inclined to agree with what Owen D. Young said some years ago, that perhaps international communications ought to be owned completely by the Government.

I am not in favor of Government ownership, generally, largely because of the fact that we have built up a tremendous bureaucracy and increased centralization of power. But here is quite a different situation, it seems to me, where we are dealing with an instrumentality of such national importance to the Army and the Navy in time of war, and to our Government generally. When we have this tremendous Government investment, if you are proposing to turn it over to a private monopoly, I will confess I am extremely doubtful about it.

One thing is important. It seems to me, and I do not want to lose sight of that fact—that to transfer all of this equipment to some private monopoly might have a very bad effect.

Mr. PORTER. That is the point I was going to undertake to discuss.

Senator CAPEHART. Mr. Chairman, I think that is a most important factor.

The CHAIRMAN. Yes, I would not like at the moment to see turned over to a monopoly this tremendous establishment which has been created by our military in time of war; at any rate, not without proper safeguards. I do not want to be understood as favoring a monopoly; I do not want to see a monopoly established and be owned privately with this tremendous amount of equipment which has been purchased and paid for by the Government. It is a very perplexing problem.

One suggesion that occurs to me, from what I have heard so far, is that perhaps it would be better—looking at it from the standpoint of the betterment of the country as a whole and the peace and security of the Nation in the future, and also from the standpoint of the businessmen of this country—to have this system in Government hands. Then we would be able to direct the carrier to go into various areas and territories whenever it is beneficial to the general public, and not simply on the basis of giving service to derive a profit for a private company.

5. CONFLICT OF NATIONAL INTERESTS

In the same 1945 hearings the Chairman of the Federal Communications Commission, Paul A. Porter, advised Congress about a number of points where the public interest was not identified with that of the common carriers. He pointed out the "deadly parallel" between the possibility of a merged company favoring its investment in an obsolete technology and the experience of British Cables and Wireless. He warned that—

Managements of communications companies may at times be in a position of serving interests other than our own national interests. At the International Communications Conference held in Warsaw in 1936, at which the United States was represented by its Government officials, a number of persons connected with our U.S. carriers were present and actively participated in the conference as members of delegations of certain Latin American countries. Such situations and the circumstances whereby our carriers may, because of the necessity of protecting their local interests at foreign points, engage in political activity within the foreign country, raise serious considerations which I think this committee should take into account. A glance at a chart which I have submitted will show the extensiveness of the interests of the I.T. & T. in foreign countries. Its large financial stake in business ventures in foreign countries is indicative of the potential conflict of its interest as an operator of U.S. communications with its interest in the protection of foreign holdings.

At this point, Senator Burton Wheeler, chairman, said:

They were able to play politics sometimes to aid in the development of their own commerce or business and to the detriment of their own country, but always to protect their own interests in foreign countries.

Mr. Porter agreed, stating that 73 percent of the total I.T. & T. investment represented investment in subsidiaries and was in companies whose principal assets were in subsidiaries located in foreign countries. The Federal Communications Commission in 1945 took the position that—

The interests of any company that has as much as 73 percent in foreign countries cannot be as strongly allied with the interests of this country as one which is owned solely and entirely by interests in this country.

And it summarized its position on this and related conflicts of interest in a way which contrasts very sharply with the policy of the present Federal Communications Commission. The position of the Federal Communications Commission was that—

There should be no place in the unified company for any such conflicts of interest. Controls must therefore be provided to assure that it contains no elements which are affiliated with foreign interests or connected with foreign operations. By the same token, the company should be divorced of affiliations, if we are to preserve separate domestic and international operations. Similarly, it

should have no interlocking interests with communications manufacturing operations. The unified company will have dealings with these two fields for the exchange of traffic and the purchase of equipment, and the existence of the influence of these two fields within the unified company would jeopardize the effectuation of arrangements on these matters on an arm's-length basis.

The unified company should, therefore, be entirely free of any connection with alien interests, either in its ownership or its management. There should be no affiliation or connection of any kind, direct or indirect, between the unified company and persons having business interests within foreign countries or interests in domestic communications or communications-manufacturing activities.

6. FEDERAL COMMUNICATIONS COMMISSION ESPOUSES MERGER OF TELEGRAPH CARRIERS TO MEET COMPETITION OF TELEPHONE COMPANY

The other proposed merger legislation for international telegraph common carriers was that of 1959. In the hearings before the Senate Interstate Commerce Committee in that year, the Federal Communications Commission, contrary to 1945 when it did not approve the proposed merger, espoused the merger proposal which the major telegraph carriers desired. In doing so it ignored the elements affecting the national interest to which, as I have shown, the 1945 Commission gave serious consideration. The rationale for the Federal Communications Commission's position in 1959 was in essence this: The telephone company had in the mid-1950's opened its transatlantic voice cable which permitted broad-band service. The military required integrated voice-record service which could be accommodated by either the Bell cables or by similar cables which might be laid by a telegraph carrier. It was outside the financial capacity of each of the major telegraph carriers to build competitive broad-band cables. While the telegraph carriers were then in sound financial conditions, their future was jeopardized by their inability to provide competitive facilities. Therefore, permissive merger of the telegraph carriers was recommended. It is relevant to the present situation in regard to communications satellites to note that the Federal Communications Commission told the Senate committee:

Authorization to the carriers to provide such a facility [broad-band cable] jointly would, in essence, create the very merger which is the subject of the legislation under consideration without any of the safeguards for the public interest which are not embodied in the bill and the Commission's suggested amendments.

At that time the military endorsed the Federal Communications Commission's recommendations, but the Department of Justice opposed them. I want to emphasize, however, that the Federal Communications Commission in those hearings was pursuing the genuine historical tradition of maintaining competition between the voice—telephone—services and the record—telegraph—services, and that there was no suggestion from any quarter that a merger of telephone and record communications was desirable. Indeed, the Commission emphasized the relative weakness of the combined telegraph carriers in relation to the telephone giant as an argument for the merger:

It would appear to us that the only opportunity for the international telegraph industry to maintain its competitive position as against telephony would be to permit it to merge, and to encourage it to secure as quickly as possible the broad band facilities essential to modern service. The maintenance of internal competition in the international telegraph industry today would adversely affect competition between telegraphy and telephony in the 1960's. In this connection we note that at present the seven competing telegraph carriers in the United States have a combined rate base of less than $82 million, whereas the plant of A.T. & T.'s Long Lines Division alone approximate $1¼ billion.

The fate of this merger proposal was the same as that of its predecessors. Congress refused to approve it.

Mr. President, this proposed merger type of bill which is before us completely dwarfs anything ever carried in that proposal to permit the telegraph companies to merge. It makes it look like a flea compared to an elephant.

Now I wish to discuss the problem of satellites being integrated into the communications technology.

7. SATELLITES PERMIT INTEGRATION OF COMMUNICATIONS TECHNOLOGY

Into this setting came communications satellites. And they brought with them a technology which invites operational integration, not just of cable and wireless telegraphy, but of voice and record communications. Whereas historically there had been a clear distinction between the capacities of equipment for handling telegraph communications and telephone communications, communications satellites obliterate these distinctions. They provide a high-capacity accommodation for all previous electronic communications services and they open up the possibility of new types of service.

But an important distinction must be made. Integration and unification of communications equipment, as a matter of actual operation, does not necessarily require integration and unification of the business or other organizations which administer the actual operations. Otherwise we could not have had integrated operation of transatlantic telephone cables where the organization at one end is a government agency and the organization at the other end is a commercial company. Integration of communications technology and operations is now possible through the satellites, not only for part of an industry, but for the communications equipment of a whole nation, and even perhaps within the foreseeable future for the whole world. We are not yet prepared to create the kind of world operating organization, today, which would exercise managerial control over the communications satellites for all nations. But both technological pressures and the need to avoid nuclear destruction must push us inevitably in this direction.

At the national level we have not faced the problem of organization and control of the satellites on its merits. If we did, we would have to consider this problem as composed of two parts: First, what kind of physical plant, with how much integration and unification of the facilities, both on the ground and in orbit, do we want to have? And, second, recognizing that many different kinds of organizations might share in the use of that plant, what kinds of organizations do we want to have? Some of the questions we have to ask—(a) Do we want to see the old telegraph and cable organizations merged into one entity? (b) Do we want to see them merged with the telephone organization into a much bigger entity? (c) Do we want to have a communications satellite organized under separate ownership? A decision in favor of separate ownership for the satellites would permit and encourage competition either between the existing common carriers, or between a merged telegraph-cable company on the one hand and the telephone company on the other. In this event, the undesirable effects of private monopoly would be checked if not eliminated.

8. ROLE OF A.T. & T. AND FEDERAL COMMUNICATIONS COMMISSION IN DETERMINATION OF SATELLITE COMMUNICATIONS POLICY

Before these questions could be even discussed, the American Telephone & Telegraph Co., the world's biggest private monopoly, was prepared to make its move to fit the satellites to its organizational and policy pattern.

And the Federal Communications Commission, judged by its words and actions, was ready to do its prompting. I have already mentioned that in the preceding several decades, the furthest the Federal Communications Commission went in advocating international common carrier merger was to espouse one limited to the telegraph carriers. And it did that with appropriate respect for the legislative prerogative of Congress. But beginning in early 1961, in the course of sponsoring private ownership of communications satellites, the role of the Federal Communications Commission became one of creating an organization and policy which would accomplish operational unification—de facto merger—of the major international common carriers of both telephone and telegraph traffic, and of placing this merged entity firmly in the hands of private monopoly. In this connection, General Sarnoff, in his testimony before the Harrison committee, says that the inevitable result of the privately owned satellite corporation would be merger of the carriers in a legalized monopoly. The intended effect of the Federal Communications Commission's plans was to create the desired private organization and policy and then to present it as an accomplished fact for congressional rubberstamping. The telegraph carriers willy-nilly are to be carried along. RCA was not too happy about the A.T. & T.-dominated monopoly. Western Union opposed certain important features of the plan. Of the major telegraph carriers, only I.T. & T. seems happy with the plan.

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator yield?

Mr. LONG of Louisiana. I yield for a question.

Mr. GORE. Mr. President, would the Senator mind obtaining unanimous consent so that I might read from the news ticker for his edification?

This message came in on the teletype. The Senator may wish to read it.

Mr. LONG of Louisiana. Mr. President, the Senator handed me a message from the ticker. Since there has been so much objection to mere RECORD insertions—something which is ordinarily permitted on the floor of the Senate—I will read what the Senator from Tennessee [Mr. GORE] brought in:

PORTLAND, OREG.—The Western States Democratic Conference has decided to urge further hearings on a bill to establish private ownership of U.S. space communications.

A news release from Sylvia Nember, Portland, executive secretary of the conference, said: "In view of a statement of President Truman and testimony at hearings raising serious unanswered questions, we request postponement of congressional consideration of the Telstar bill for several months to allow full hearing and resolution of issues raised."

That is interesting. The Western Conference of Democrats has called upon the party not to put the gag rule on those of us who are talking about the bill. They have asked us not to apply the gag rule, but to give the subject further study.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I yield for a question.

Mr. GORE. Does not the Senator think that action indicates that as the country learns about the bill, opposition to its passage is growing?

Mr. LONG of Louisiana. The Senator is correct. I find this amusing. I recall the time when Harry Truman—God bless him, for he sincerely tried to do the best he could—attempted to apply a gag rule to us Confederates on a civil rights bill. Now he is assisting some Confederates and the rest of us in trying to prevent the application of a gag rule to the bill before the Senate. It is an odd turn of events.

Senator can talk all they wish about those of us who are opposing the bill being a handful of liberals. We have one of the most respected leaders of the Democratic Party of all times on our side. I predict that his name will grow greater with history, and his luster will shine evermore for some of the courageous decisions that he made while he was President of the United States and prior to the time he became President. He is a man who understands the monopoly problem. As a Senator, he served on the Committee on Commerce. He has vetoed monopolistic bills. The Senator knows it as well as I do.

Mr. GORE. Without revealing any illustrious names, does not the Senator expect that if the debate continues for a few more days, as we fully expect it will, more illustrious leaders of the Democratic Party will join in opposition to passage of the bill?

Mr. LONG of Lousiana. There is no doubt about it. Senators must be educated to find out what the bill is all about. For example, if I wished to tell someone where to go to find out what a mischievous thing the bill is, I would like to have him read my speech. I have delivered only a quarter of it since I started some time ago. I hope to complete about half of my presentation by the time I suspend for the day. It will take a while longer for me to make my presentation-in-chief on the bill. The subject is very complicated.

I believe the Senator knows that members of some of the executive departments have been bludgeoned to give their approval to the monstrosity that is before the Senate. The Senator knows that they have been bludgeoned into going along with the proposal. I cannot tell what I know, for it would violate my code of ethics to say something that was told me in confidence. The Senator knows how the measure was pushed through some of the departments. After recommendations were presented, they proceeded to drop many of them.

How do Senators think the Secretary of State likes to go along with the proposal? While Secretary of State of the United States, in effect he would be doing the bidding of a private company. He should be outraged.

Our Ambassador to the United Nations said that the United Nations must be considered in connection with the proposal. Other countries do not agree that we even have a right to put a satellite in space. Only for the International Geophysical Year program was it agreed that we would have the right to put one up. It might be a violation of what might be someone else's property rights. That argument was thrown out. I believe the distinguished chairman of the committee studied the question and concluded that it was nothing but a new way of doing what we had already been doing, and should be considered only in that light. The Acting Ambassador to the United Nations, speaking for Mr. Stevenson—I suppose, because Mr. Stevenson was not available at the moment—said that to make such a statement was like saying that a nuclear explosion was only another way of setting off a firecracker.

That is how much sense he thought the Space Committee made in the bill when all reference to the United Nations was eliminated. After all, it must be agreed within the United Nations that we have the right to put a satellite over someone else's property.

Frankly, it is a serious question. Those in charge of the bill do not want to talk about it. They want to push it through. They want to slip it through in a cloud of ignorance and a smokescreen of misinformation. The Senator well knows that the least helpful witnesses we could find to tell us what the bill is all about were those who were supposed to own and control the system—the American Telephone & Telegraph Co. itself. To get information out of them, it must be pulled out as one would pull teeth—and I mean wisdom teeth.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I yield.

Mr. GORE. Does the Senator recognize the following statement as the words of an official of the U.S. Government:

Now, the fourth part of the space program looks toward the establishment of a global system of communications satellites. Space technology has opened enormous possibilities for international communications. Within a few years satellites will make possible a vast increase in the control and quality of international radio, telephone, and telegraph traffic. In addition, something new will be added: the possibilities of relaying television broadcasts around the globe.

This fundamental breakthrough in communication could affect the lives of people everywhere. It could forge new bonds of mutual knowledge and understanding between nations. It could offer a powerful tool to improve literacy and education in developing areas. It could support world weather services by speedy transmittal of data. It could enable leaders of nations to talk face to face on a convenient and reliable basis.

The United States wishes to see this facility made available to all states on a global and nondiscriminatory basis. We conceive of this as an international service.

Mr. CARLSON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. LONG of Louisiana. Mr. President, I did not yield for a point of order. If the Chair wishes to put a Senator in his seat, he may do so. But I have the floor. I yielded for a question. I did not yield for any other purpose. Since Senators wish to be technical, I too, shall be technical.

Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG of Louisiana. That is what I thought. I yield to the Senator from Tennessee [Mr. GORE] for a question.

Mr. GORE. Does the Senator recognize the words I have read, which I completed reading except for two lines, as the words of an official of the U.S. Government?

Mr. LONG of Louisiana. If I recall correctly, Adlai Stevenson, as Ambassador to the United Nations, made that statement.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. LONG of Louisiana. I will yield for a question. I hope the Senator will confirm whether I am correct in what I have said.

Mr. GORE. Will the Senator concede that he is well acquainted with the views of Adlai Stevenson?

Mr. LONG of Louisiana. I am familiar with with a number of views of Adlai Stevenson. He is a diplomat, and I am familiar with his views in that field, and I am also familiar with his views with respect to free enterprise. He is in favor of free enterprise rather than big monopolies, although I believe he made his best fees as a lawyer representing A.T. & T.; nevertheless, he does believe in free enterprise and in competition.

Mr. GORE. Does the Senator know that Adlai Stevenson is the representative of the U.S. Government and is its

official spokesman in the councils of the United Nations?

Mr. LONG of Louisiana. That is entirely correct.

Mr. GORE. I should like to ask the Senator if the concluding sentence of these remarks of the statement of Mr. Adlai Stevenson represents the position of the U.S. Government as conveyed to the United Nations by Ambassador Stevenson, the concluding sentence being, "We would like to see United Nations members not only use this service, but also participate in its ownership and operation, if they so desire"?

Mr. LONG of Louisiana. Yes; that is entirely correct. The committee simply disposed of what Mr. Stevenson was recommending and threw it all out. In other words, Mr. Stevenson was saying to them, "You must get the United Nations to work with you on this thing. If you don't work with them, the Russians will say you do not have any right to put it up there, and they might shoot it down, just to be done with it." That is what they did with Francis Gary Powers.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. LONG of Louisiana. I yield for a question.

Mr. GORE. Does the Senator recall that when Dr. Dryden, the head of NASA, was before the committee, the junior Senator from Tennessee asked him what would be the result if the United States had placed a communications satellite in orbit without the attainment of the requisite ability to make it a viable system, and another country with the requisite capability placed their satellite in a similar orbit on the same wavelength, and the answer of Dr. Dryden was, "Complete confusion"?

Mr. LONG of Louisiana. That is correct. The people who are fighting to get this bill through and to turn this over to A.T. & T. before we even see what it is, do not even want to talk about these things. They want to gloss all this over. It is quite amusing the way the A.T. & T. people come to talk to one about all this. They say, "It's no good. It won't work. It is not going to be worth much."

It reminds me of the way a lease seeker goes to a farmer and says to him, "Oh, there couldn't possibly be any oil on your land." Half the time he already has a core sample obtained from someone who has drilled a well a quarter of a mile down the road from this farmer, which shows that there is a tremendous amount of oil, and that the chance of finding oil on the farm is about 50 to 1 that it is there. Nevertheless, this man will say to the farmer, "Oh, it is no good; there could not possibly be any oil under your land."

Their attitude has been to try to persuade us that this satellite would not work, that it is no good, that it could not succeed. Their attitude is that, well, they want this merely because they are in that kind of business and they ought to have it even though it will not be any good.

The people who really know something about this say that this space satellite will make present radio and television systems look like nothing at all. They say that in 10 years we will be able to broadcast programs to half the world at one time. All that will be necessary to do will be to develop an atomic reactor-operated battery, and to put this satellite 22,000 miles out in space to broadcast television programs over five or six channels at the same time in different languages.

What does A.T. & T. say about that? They say that would not work. It never could work, they say, because people in Europe have a different kind of tube, of different dimensions than we have in our television sets. Anyone knows that if five or six programs were being beamed at the same time off a satellite, and they were able to see this excellent entertainment, people would buy the television tube of the proper dimension. It is the same as when television first came in. People did not have television sets, but they bought them after a while. The first ones were not very good. After a while people got new sets. I dare say that there are few people today who have television sets that are more than 10 years old. They bought the new sets when the changes were made. The same thing was true when FM radios first came in, when they used a different frequency band. People bought new sets.

Mr. President, here is the big money bill of Congress. This is the billion-dollar bill. This is the big one. A.T. & T. tries to make it appear that this is nothing at all. Why would they try to put the gag rule on the Senate and try to ram this bill through, if they thought this thing was no good? They want to ram this through so people will not hear any more statements like the ones made by Harry Truman, and about the kind of action that the Western Conference has taken. Thank the merciful Lord for unlimited debate in the Senate. The people will hear about this.

Perhaps they will be able to gag us and to hogtie us and to ram this bill through the Senate. Maybe they will be able to do it. They could not do it with civil rights. Apparently some Senators who would not vote to gag the debate on civil rights may vote to gag us now on this measure, which would create a tremendous monopoly. There are some Senators who apparently will vote for cloture on this measure. I do not know how they can bring themselves to do it. Mr. President, let us face it: with all the power that the NAACP has, they do not have the power of A.T. & T.

Mr. President, every Senator and Congressman, I am sure, has been visited by A.T. & T. task forces from their home areas. The lobbying has been such as was never seen before in Congress, although it has been in pretty good taste. I believe the telephone company is trying to use the carrot more than the stick.

When I was running for office I was surprised that my opponent was not better financed. I thought he was financed well enough, but not as well as I thought he would be, because I thought that anyone who would uphold the position of A.T. & T. would be very handsomely financed indeed. I was surprised that his campaign against me was not more lavishly financed.

I was constantly confronted with being called a Socialist or a Communist. I suppose I have been called a Socialist so many times, for believing in competitive free enterprise, and have been called a Communist so many times, that I have almost gotten used to it. I suppose if I am a Socialist, there must be a good many of them in Louisiana, because I received over 80 percent of the votes.

So far as public evidence is concerned, the industry's campaign through Government agencies began before the Federal Communications Commission's open involvement. In October 1960, the Administrator of NASA in a speech said:

> Traditionally, communications services in this country have been provided by privately financed carriers competing with one another to serve the public interest under Federal controls and regulations. There seems to be no reason to change that policy with the advent of communications.

On December 30, 1960, a White House statement released by Mr. Haggerty used virtually the same words. The Federal Communications Commission's first public statement on the campaign was released on February 28, 1961, and it consisted of a most curious document, headed "Memorandum of Understanding Between Federal Communications Commission and NASA on Respective Civil Space Communications Activities," the relevant operative provisions of which were that both agencies affirm the following propositions as guidelines for the coordinated conduct of their respective activities:

> 1. The earliest practicable realization of a commercially operable communication satellite system is a national objective.
>
> 2. The attainment of this urgent national objective in the field of communications may be accomplished through concerted action by existing agencies of Government and private enterprise.
>
> 3. The statutory authority of NASA and the Federal Communications Commission appears adequate to enable each agency to proceed expeditiously with the research and development activities necessary to achieve a commercially operable communication satellite system. Special problems which may arise in connection with the regulation of a commercially operable system are being explored by both agencies, and may result in legislative recommendations at a later date.
>
> 4. In accordance with the traditional policy of conducting international communications services through private enterprise subject to Government regulation, private enterprise should be encouraged to undertake development and utilization of satellite systems for public communication services.
>
> * * * * *
>
> 7. The Federal Communications Commission in appropriate cooperation with other Government agencies, will continue to direct its activities in this field toward the development of communications policy and the implementation and utilization of space telecommunications technology through the licensing and regulation of U.S. common carriers.

USURPATION OF POLICYMAKING POWER BY FEDERAL COMMUNICATIONS COMMISSION

Now let us review the activities of the Federal Communications Commission in the past year.

First. Its acts of commission.

The Federal Communications Commission's most important act of commission in regard to communications satellites was, in my opinion, the usurpation of policymaking power which this "Memorandum of Understanding" revealed. It is clear that the Federal Communications Commission has no statutory basis for making national policy concerning the style of organization and operation of a radical technical innovation such as communications satellites. And the many provisions of the Communications Act which apply the antitrust laws to various features of the commercial activities within the Federal Communications Commission's regulatory powers, together with the legislative history of proposals for merger of international communications carriers would seem to leave the Federal Communications Commission no legal footing for this usurpation. And indeed the Commission sometimes speaks to Congress in terms which suggest that a legal basis for its activities is obvious or unnecessary. Thus, Commissioner Craven, speaking for the Federal Communications Commission before the Small Business Committee's Monopoly Subcommittee last August, said:

> The Commission's efforts * * * are based upon the conviction that satellite communications will and should take its place within the framework of our private enterprise system, under which public communications facilities are owned and operated by private companies subject to Government regulation. This conviction is consistent with congressional policy expressed in the Communications Act of 1934, as amended.

The Federal Communications Commission's treatment of the question of its policymaking authority is utterly absurd. For while the act which created the Federal Communications Commission permits the private operation of communications carriers, it does not prescribe it.

In other words, the Commission has proceeded as though the act requires it to take such action, which it does not. It would be equally valid to argue the opposite: by remaining silent on the ownership of the then-known means of communications, Congress reserved a free hand for itself with respect to such new techniques as the satellites. You will not find in the hearings or debates on this act any prophetic vision of communications satellites, nor of the problems of policy and organization which they present. Indeed, where the service was inherently, that is, technically, monopolistic, as in the case of the licensing of the radio spectrum, Congress determined that the monopoly should be public property. And it is obvious that in their international character, communications satellites have more characteristics in common with the radio spectrum than with a telephone or telegraph line. On this basis, one could argue that the legislative history of the Communications Act would support a publicly owned operation and no other.

In enunciating its policy on the ownership and regulation of communications satellites, the Federal Communications Commission asserts that as the guardian of the public interest in these matters it knows that the public interest coincides with the policy it is pursuing. There is no question that the policy the Federal Communications Commission is pursuing is essentially the same as that of the American Telephone & Telegraph in particular and of the common carriers in general. It follows inevitably and logically, that the Federal Communications Commission conceives the public interest to be identical with that of these industries. In short: what is good for A.T. & T. is good for the country.

In order to make this policy credible, the Federal Communications Commission and others who pursue the industry's policy have had to rewrite our history. Thus, whoever wrote President Kennedy's letter of February 7 to accompany the submission of the administration bill to Congress was constrained to say:

> Throughout our history this country's national communication systems have been privately owned and operated, subject to governmental regulation of rates and service. In the case of the communications satellite operation, our studies have convinced us that the national objectives outlined above can best be achieved in the framework of a privately owned corporation, properly chartered by the Congress.

The first of these sentences is simply untrue. Throughout our history this country's national communication system—the Post Office—still remains under public ownership. It was the Post Office Department which nurtured Morse's telegraph invention into existence in 1844.

Mr. President (Mr. PROXMIRE in the chair), in the first of our historic giveaways, the telegraph was given into private hands, where it was exploited for private privilege, and failed of development here in the way its development occurred in other countries. By the end of the century, there had been introduced in Congress more than 70 bills to authorize public ownership of the telegraph. Nineteen times, committees of the House or committees of the Senate reported on such bills—17 times, favorably. Yet because of the political power of private monopoly, never were the bills passed.

The process was repeated in connection with radio. Both radiotelegraphy and radiotelephony were principally innovated by the Government. By 1914, the policy of the Wilson administration called for Government ownership and operation of radio, as well as the telephone and the telegraph. In 1917, by Executive order the Navy took over the operation of radiotelegraph and radiotelephone stations, and operated such commercial service as did not interfere with the war program, including the communication of news and a daily shipping bulletin of maritime news. When the President assumed control of the telegraph, telephone, and cable systems in July 1918, the Secretary of the Navy, Josephus Daniels, testified that the Government "should control and own telegraph, telephone, and all means of communication permanently," as also did Postmaster General A. S. Burleson. The Government in its own right had by then acquired a sufficient patent position to dominate the radio field. The second great giveaway in our communications history was the process by which this public ownership structure was dismantled and all telephone and telegraph common carriage by wire and radio was turned over to private corporations, after World War I.

Nor is it true, Mr. President, that our privately owned communications carriers have always been subject to governmental regulation of rates and service. There was no national regulation of communications carriers even in name alone, prior to 1910. The Interstate Commerce Commission, to which some regulatory authority was then given, did virtually nothing to use that power. And the Federal Communications Commission, which in 1934 succeeded the Interstate Communications Commission in regulating common carriers, has done precious little since then to protect the users of the telephone service. The Federal Communications Commission, which now seems to roar like a lion about how rigorously it regulates the industry—when the industry's interests are served by such roaring—resembles more a mouse when, representing the general public interest, it confronts the industry.

If, as I contend, the first act of commission of the Federal Communications Commission in connection with this matter was to enter into the policy formulated in the NASA-Federal Communications Commission alliance, its second large act of commission was in connection with the way it has pursued this policy. With a vigor which it does not display when it comes to regulating the common carrier industry in the interest of the general public, it turned to the matter of creating a "consortium"—as it called it—of the private companies which operate the common carrier services internationally. The Commission's bias in favor of serving the carriers' interest, rather than the public interest, was openly displayed in its "first report" in docket 14024. It referred to "interested carriers" as "acting under the aegis of the Commission"— a term also used commonly by A.T. & T. spokesmen. According to Webster's New International Dictionary, second edition, 1952, "aegis," means "figuratively, a shield, protection or defense." So that use of the word by the Federal Communications Commission may be regarded as a revealing and accurate slip. That report announced a meeting to plan this consortium, after reciting, among the reasons for this action, the belief that "the international carriers themselves are logically the ones best qualified to determine the nature and extent of the facilities best suited to their needs," and that a proposal for space hardware industries to be included in the consortium might "result in disrupting operational patterns that have been established in the international common carrier industry."

The Commission was also solicitous to arrange things so that its "ad hoc committee" would not run afoul of the antitrust laws.

A striking example of the propensity of the Federal Communications Com-

mission to promote and defend the plans of the common carrier industry for communications satellites is its opposition to core features of the administration bill, in testimony before the Senate Space Committee and the House Committee on Interstate and Foreign Commerce. The Federal Communications Commission is, after all, part of the administration; and if it opposes the administration policy, what interest other than that of the industry which it "regulates," does it represent? A particularly revealing portion of this opposition was the Federal Communications Commission's criticism of the administration bill—"Which can be construed to permit entities such as the Government, who otherwise would be customers of the carriers, to directly lease channel facilities from the satellite corporation."

In our opinion, such a construction would raise a most serious question of policy that should be carefully considered. For, this could result in the satellite corporation competing directly with the common carriers, and possibly deprive those carriers of essential revenues, thereby leading to financial difficulties for the carriers. (Quoted in Telecommunications Reports, Mar. 5, 1962, p. 26.)

The Federal Communications Commission, when confronted with the claims of the taxpayers and the claims of the industry to returns on their investments, seems unhesitatingly to prefer the interests of the industry.

Mr. President, I note with interest that the distinguished Senator from Illinois [Mr. DOUGLAS] has returned to the floor. He was in the Chamber earlier today, and heard some of the first parts of my speech. I regret that he has not been able to hear all of it. I hope that the Senator from Illinois—who, I know, has an open mind, not a closed mind—will read all of my speech in the RECORD, so he will be fully apprised of what I have had to say.

Certainly I do not believe that the Federal Communications Commission has in the past had, or has now, the ability effectively to regulate the A.T. & T. I think I can clearly document that case, and I am in the process of doing so. It may take a little time; but I have already made about half of my speech, and in a few more hours I shall be able to present more of it.

Mr. DOUGLAS. Madam President, I regret that I have not heard all of the Senator's speech——

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Does the Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. I yield for a question.

Mr. DOUGLAS. May I ask some technical questions of the Senator from Louisiana?

Mr. LONG of Louisiana. Certainly the Senator from Illinois may ask a question, and I should be glad to yield for a question.

Mr. DOUGLAS. Is it correct that on July 24, 1961, President Kennedy set forth the policy requirements which would govern the ownership and operation of a satellite communications system?

Mr. LONG of Louisiana. I do not recall the exact date; but I do recall the President's policy statement, and it was a good one. In fact, when I read it, I said, "There won't be any satellite communications system bill," because in that statement President Kennedy said, among other things, that there must be the possibility of maximum competition; and I said, "A.T. & T. will never go for that, and therefore will keep the bill from being passed." So, frankly, I thought then that the bill was dead. But when the bill finally reached us, it provided for just the opposite.

Mr. DOUGLAS. Does the President's policy statement also provide that there must be full compliance with the antitrust laws and with the regulatory controls of the U.S. Government?

Mr. LONG of Louisiana. Yes. But when these people began to make their plans about how to proceed in violation of the law, they got fellows from the Department of Justice to meet with them, to help them plan the consortium; and those people from the Department of Justice tried to help plan just what these people wanted—all of which helps build a giant, powerful monopoly, instead of moving in the opposite direction, as the President's statement indicated would be done.

Mr. DOUGLAS. Then is it the belief of the Senator from Louisiana that the pending bill does not meet the requirements which President Kennedy laid down in his policy statement of July 24, 1961?

Mr. LONG of Louisiana. In my judgment—and I have documented this, and I hope the Senator from Illinois will read all of my speech, particularly some of the parts he has missed while he has necessarily been out of the Chamber—it would not be possible to find a way more completely to fail to meet the requirement of the President's policy statement that there shall be the maximum possibility of competition and full compliance with the antitrust laws, than to do what this bill calls for, for it calls for just the opposite.

Mr. DOUGLAS. May I ask if the Senator does not believe that the whole idea of the corporation provides for a monopoly?

Mr. LONG of Louisiana. In my judgment, it provides for a monopoly. It organizes what little competition there is in the telephone industry into a cartel.

Mr. DOUGLAS. And is there an exemption from the antitrust laws by the terms of the legislation?

Mr. LONG of Louisiana. Let me put it this way: This cartel could not be organized in the absence of the law which these people are trying to have enacted in Congress, because it would be flying directly in the face of a number of provisions of the antitrust laws designed to prevent this kind of thing.

Mr. DOUGLAS. What limit is there in the bill as regards individual ownership by any one of the communications carriers?

Mr. LONG of Louisiana. It is stated that the carriers cannot own more than 50 percent of the voting stock. As a practical matter, the Senator knows, as well as I do, that the American Telephone & Telegraph Co. is expected to own about 40 percent of the stock. That is what I learn from persons who have worked on the bill and have consulted about it have estimated. The Senator has made enough speeches on the subject to know that one does not have to own 50 percent of the stock to control a corporation. In many cases, it has been held that a publicly held corporation, whose stock ownership was widely diffused, could be controlled by one who had as much as 5 percent of the corporate stock.

Mr. DOUGLAS. It is true, is it not, that in the Du Pont-General Motors case, Du Pont was ordered to sell its General Motors stock because it owned 23 percent of it?

Mr. LONG of Louisiana. The Senator is correct.

Mr. DOUGLAS. The Supreme Court held that 23 percent ownership gave Du Pont complete control over General Motors, did it not?

Mr. LONG of Louisiana. That is correct, and the stock ownership was broken up on that basis.

Here is a bill that would let American Telephone & Telegraph own 40 percent of the stock. Actually, it could hold 50 percent of the stock. Under the provisions of subsection (c) it might maneuver the situation around so that it could own as much as 99 percent of the stock.

Mr. DOUGLAS. Is it not true that, legally A.T. & T. could own 50 percent?

Mr. LONG of Louisiana. Of the voting stock; but if we consider the nonvoting stock, bonds, debentures, and the other supports of the corporation, there is no limit to how much of that A.T. & T. could own. It is even provided that the cost of the stock could be put in A.T. & T's. rate base.

Mr. DOUGLAS. Is it not true that, under the Investment Company Act of 1940, any person who owns, either directly or through one or more controlled companies, more than 25 percent of the voting securities of a company, shall be presumed to own such company?

Mr. LONG of Louisiana. That is not a bad presumption; and that is the law.

Mr. DOUGLAS. The citation is 15 United States Code 80a–2(9).

Mr. LONG of Louisiana. The Senator knows why that is in the law.

How can people, with any kind of logic, expect us to believe that if A.T. & T. owned it, A.T. & T. would not control it, that American Telephone & Telegraph Co. would not be strengthening its own monopoly under this bill, when it is quite clear, and all the precedents show, that if they had this much ownership of it, they would own it?

Mr. DOUGLAS. Is it not true that the Deputy Attorney General, Mr. Katzenbach, who helped draft the bill, admitted that it is likely A.T. & T. will probably own 35 to 40 percent of the company?

Mr. LONG of Louisiana. Yes; but it might be a lot more than that.

Mr. DOUGLAS. Of the voting stock.

Mr. LONG of Louisiana. Incidentally, I think one reason why Telstar is operating now is that it will lose money. I

cannot prove this, but I think I am correct in my judgment, because it makes sense, and I have discussed it with others who think it is true: American Telephone & Telegraph want it to lose money for quite a while. They do not have to have that money. It is a $29 billion corporation. They are in no big hurry to make money on it. If they lose money on it they will run the shoe clerks out, if I may use a poker player's expression. Telstar cannot make money. It is very expensive and impractical.

Suppose the Senator wanted to call somebody in Europe. He would have to wait until next week, when the satellite was between Andover and Germany. It would not be in position until then, and then only for 10 minutes. If it came over at 7:30 in the morning, and the Senator was a late sleeper, he would not be able to get up in time to make the telephone call. He would do better by relying on the pony express, or he might get the message there quicker if he used an oceangoing turtle.

Mr. DOUGLAS. Is it not true that the company would have to put up some 25 to 40 low-altitude satellites to cover the points between North America and Western Europe?

Mr. LONG of Louisiana. To establish contact between the 2 points for 24 hours I understand there would have to be about 50, provided they could be spaced the right way and kept in the right orbit, which is not very easy. But if global coverage were desired, with the synchronous satellite system—which is the only practical way to do it—three of them could be put in orbit and there would be global coverage.

Mr. DOUGLAS. At a distance of 22,000 miles.

Mr. LONG of Louisiana. At 22,290 miles.

Mr. DOUGLAS. As compared with 293 miles.

Mr. LONG of Louisiana. If global coverage were desired with the Telstar system, there would have to be 400 satellites up there. In view of the launching schedule at Cape Canaveral, even if four or five were launched at a time, it would take 2 years to put all that junk up there, and the first ones would be obsolete by the time the last ones were up.

I can tell the Senator that, based on the present launching schedule at Cape Canaveral, it would take 2 years to get enough of the satellites in orbit at the right places to be able to provide coverage between here and West Europe. It would take 2 years of firing the satellites, even if they were fired in multiples as skyrockets are fired, with the skyrockets bursting in different directions.

Keep in mind, my colleague, that by the time all the satellites were shot into orbit, some of the first ones would be out of operation because of the high radiation existing in those altitudes.

Mr. DOUGLAS. I heard the Senator make a very able speech some weeks ago on this subject, and I then looked at the bill and I saw that the bill provides that there can be competitive telecommunications satellites. Does the fact that, in all probability, A.T. & T. will start off with a low-orbit series of satellites mean that there could not subsequently be launched a high-orbit series?

Mr. LONG of Louisiana. I believe the Senator will find the provision states it is not precluded. I do not believe the Senator will find it expressly authorizes these other systems.

Mr. DOUGLAS. It permits them? Why could there not be the high-orbit satellites as well as the low-orbit ones?

Mr. LONG of Louisiana. It could be done.

One of the things which is so outrageous, in my judgment, is that under the bill the corporation would have both the low- and high-altitude satellites. The corporation would own them all, except those the Government would own. Then, in addition, the Government would be forbidden to utilize the Government satellites which it would send up for other than its unique needs, which I assume might refer to coded messages.

That makes about as much sense as saying that the Government, having constructed all of the TVA dams along the Tennessee River, is to be forbidden to use Government power to operate the lights in the Government buildings, and would have to buy the power from some private company at commercial rates.

Mr. DOUGLAS. Does the Senator from Louisiana think, after A.T. & T. or a private corporation had made a large investment in a low-orbit satellite system, that it would then carry out a further investment in a high-orbit satellite system, which would make the first system obsolescent?

Mr. LONG of Louisiana. The second system would have to carry the burden of all the money "frittered away" on the first system. That would not make sense. The corporation would try to keep both systems on the books. Even if the corporation could not keep them on the books, when it wrote off the first system it would still charge the users of the second system all of the money required to keep solvent, or it would be "in the red" for a long period of time.

Another reason which might help one to arrive at the conclusion that there is a heavy conflict of interest involved and that the American Telephone & Telegraph Co. does not want the system to make a profit any time soon is the fact that the task force of the communications common carriers recommended that this be owned by a nonprofit corporation and that they run it.

Mr. DOUGLAS. Which task force was that?

Mr. LONG of Louisiana. The book which I hand to the Senator shows that.

All this "mess" got started in this way. The Federal Communications Commission called in an ad hoc committee. This would have been in violation of the law, except that a Department of Justice man was sent in with these people. These are the names:

American Cable & Radio Corp.
American Telephone & Telegraph Co.
Hawaiian Telephone Co.
Press Wireless, Inc.
Radio Corp. of Puerto Rico.

Some of these fellows only have a wireless, like between Puerto Rico and this country, for example:

South Puerto Rico Sugar Corp.
Tropical Radio Telegraph Co.
The Western Union Telegraph Co.

These people were brought together. They were asked to propose what should be done with the satellite.

These people had a direct conflict of interest, because the new satellite threatened to make obsolete the existing system. These people then came in with their report, telling what they thought should be done. They contacted me. I suppose they contacted other Senators, trying to get an agreement among Senators and Representatives in Congress to push the bill through, as they recommended. They recommended a nonprofit corporation for the satellite. That was to own the system. As I recall, they were going to run it.

The book which the Senator has in his hand spells out their proposal. They did not want the satellite to make money. They wanted the money to be made on the ground, through the ground lines and sending stations. They did not want the satellite itself to make any money. So they recommended that it be a nonprofit corporation which would handle the satellite.

So I say that these people are not interested in seeing that the satellite be a great commercial success certainly any time soon. That is supported by the fact that their recommendation was that it should be owned by a nonprofit corporation.

Mr. DOUGLAS. In order to clinch this point, would the Senator from Louisiana permit me to read the passage in question, with the understanding that the Senator would not lose his right to the floor?

Mr. CARLSON. Madam President, I demand the regular order.

Mr. LONG of Louisiana. Madam President, the Senator only asked me a question.

The PRESIDING OFFICER. The Senator may yield only for a question.

Mr. LONG of Louisiana. I shall read it myself:

> The plan proposed for U.S. interests contemplates the formation of a nonprofit satellite corporation to develop, construct, operate, manage, and promote the use of the satellite system, other than ground stations, in accordance with public interest objectives. Unlike the proposal for a common carriers' common carrier, ownership of the U.S. portion would be in the participating carriers and not in the satellite corporation.

Then it goes on.

I shall undertake to provide for the Senator, as soon as I can discover it, how the directors were to be set up. It was planned that the board which would control would be the fellows on that ad hoc committee. I believe they were so generous as to include one more common carrier, General Telephone. That is about the full extent of what they were willing to do.

Mr. DOUGLAS. The Senator is correct in saying, is he not, that it was to be a nonprofit corporation.

Mr. LONG of Louisiana. That was the proposal.

Mr. DOUGLAS. Is it not true that that has been changed in the bill now before us?

Mr. LONG of Louisiana. Yes; it has been changed. What I find objectionable is that it still would be controlled by those who have a conflict of interest.

I ask the Senator to keep in mind the fact that the telephone rate from here to Europe is about $12 for 3 minutes. If the Senator's son were in Europe, trying to call home to wish his mother a happy birthday, if he talked for about 10 minutes he would have to pay $50.

We are told by the Hughes people, who have a contract in this field to put up one of the synchronous satellites, that they feel they could put this system up within a couple of years with 1,200 channels. I believe there are only about 60 connections to Europe now. They say they could put up this system with 1,200 channels, and that when they were in a position to obtain full utilization of only 40 of those channels, at 50 percent of the existing rate of $12 for 3 minutes, or only $6 for 3 minutes, they would be making a profit.

But there is more of a conflict. The really big money would not be involved in telephone calls to Europe at all. The big money would be in the United States, where there is heavy traffic. There are many times as many circuits between New York and Los Angeles as there are between New York and London, and the difference in the distance is not too great as between those other points. That is where the big money is to be found. That is where the big interest lies.

If the synchronous system were in space, a profit could be made using only 40 channels. Why should the system not provide domestic service? Instead of pushing the signal through 50 of the microwave towers, why not push it through the satellite one time? That would be one sending and receiving set, on the satellite. By using that there could be tremendous savings as a result of efficiency, I would imagine.

This whole thing has never been even explored, considered, or advocated as a way of providing cheaper telephone service between New York and Chicago, or Chicago and Los Angeles, or Chicago and New Orleans. It has only been conceived of and discussed on the basis that it would provide a service overseas, internationally.

The big savings and the tremendous profits which could be made, and the great service to the American people, would be the domestic service. That is to be precluded from all consideration.

Mr. DOUGLAS. Madam President, may I ask the Senator another question?

Mr. LONG of Louisiana. That shows who drew up this proposal. Who would want to keep out the domestic service? American Telephone & Telegraph and its subsidiaries. They would be the ones who would not want to provide domestic service, because they want the people to keep using their old obsolete facilities, which are on the books, at the old rates. The Senator knows as well as I do that the rate base has never been attacked by the Federal Communications Commission in its whole 27 years of history.

Mr. DOUGLAS. Could the Senator inform me whether it would be possible, under the corporation setup, for suppliers of equipment to own a share in the corporation which is to be set up?

Mr. LONG of Louisiana. It would be possible for them to own some; but what good would that do?

Mr. DOUGLAS. I am speaking of suppliers.

Mr. LONG of Louisiana. Surely. They could buy some stock. Let us suppose there were a little company that manufactured supplies and equipment which bought 1 percent of the stock. That would involve a lot of money, but even if it did buy it, the company would be outvoted. Even on a cumulative basis, the company would not get anything for the vote.

Mr. DOUGLAS. Yes; but did not the Court find that one reason why Du Pont control over General Motors should be broken up was that Du Pont was a supplier of paints and other items which General Motors bought, and, therefore, they felt that suppliers should not be able to control or be in a position to control operating companies which used their supplies and equipment? Might not that same thing happen in the case of the proposed corporation?

Mr. LONG of Louisiana. I should imagine, however, there are probably other paint manufacturers, such as Sherwin-Williams or some other company, that might own stock in General Motors. No one is concerned about that one way or the other. That would not get them any business for General Motors. It is the big fellow who owns 25 percent of the stock who could get the business and did get it.

Mr. DOUGLAS. Might not General Motors or Westinghouse buy a very large share of the company in order to buy supplies and equipment from them?

Mr. LONG of Louisiana. They could buy some of it. They might be able to protect their investment to some extent in doing so. But one must keep in mind that over 50 percent of the stock of the proposed corporation is blocked out for the communication carriers to begin with. My pending amendment would undertake to point up the fact that communication common carriers should be precluded from owning any of the stock. Fifty percent is enough to guarantee control.

Mr. DOUGLAS. Does not the Senator think that the supplier should be precluded from owning some of the stock of the purchaser?

Mr. LONG of Louisiana. That point could well be argued.

Mr. DOUGLAS. It is not prohibited in the bill in question.

Mr. LONG of Louisiana. It is not prohibited. From an antitrust point of view, the bill is a hodgepodge bill. It is not a good one. That is my view as chairman of the Monopoly Subcommittee of the Select Committee on Small Business. I am happy to say that my view is no different from that of the distinguished Senator from Tennessee [Mr. KEFAUVER], who is chairman of the Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary, which ordinarily has legislative jurisdiction over that kind of monopoly problem.

Mr. DOUGLAS. Would the Senator yield for a question on reimbursement of Government costs?

Mr. LONG of Louisiana. Yes; I yield for a question.

Mr. DOUGLAS. Is it not true that when the public purchases the equity or property of a private corporation under the due process clauses of the Federal Government and various State constitutions, they must pay private parties for the value of the property which is thus taken over?

Mr. LONG of Louisiana. Oh, yes. There is no question about that. If Government takes something from any corporation, as the Senator knows, the corporation must be paid everything that the property is worth. We might wind up by paying more than the property is worth.

Mr. DOUGLAS. Has not a large proportion of the basic research and development which is involved in satellite communications been at the expense of the National Government?

Mr. LONG of Louisiana. My understanding of the question, based on discussion with engineers and others, is that the problem is regarded as being 90 percent space problems and 10 percent communication problems. In other words, the big problem is getting the satellite in space and keeping it in the right position. As far as building the kind of radio sending and receiving set that could relay the signals back and forth, part of the expense of that research and development has been on the part of Government, and part of it has been private. Most of the research on that subject has been done.

Mr. DOUGLAS. Is there any provision in the bill which would require the proposed private corporation to reimburse the Government for the expenses which the Government has incurred in developing the space satellite system?

Mr. LONG of Louisiana. The only reimbursement the Government would get would be the cost of putting one missile up there into space. The number of missiles that the Government would use for that purpose, including the fantastic Government investment of more than $25 billion in exploring outer space, would not be reimbursed.

In my judgment, if we wished so to provide, we could license a corporation which would reimburse the Government the $25 billion of the whole cost. I make that statement because the system has fantastic potentialities. We are told that it is estimated that the space communications system in 10 years will be doing a business of $100 billion a year.

I refer not only to telephone business, but also to worldwide communication, including the transmission of weather information, television, radio, and documents. I believe that $1 billion would

include the equipment also. We are told that in 10 years the industry will be an industry earning $100 billion annually.

Mr. DOUGLAS. Would not the Senator think that a good amendment to the bill would be one that would provide that the private communications company should reimburse the Government for the cost which the Government has experienced in the research and development necessary for the launching of the system?

Mr. LONG of Louisiana. If the corporation intends to keep its rates high, it certainly ought to be made to do so. Of course, if the public were to receive the benefit of great rate reductions, which are conceivable as the result of the new developments, perhaps the corporation could not afford to do that. But if the Senator wished to arrange so that the Government would receive something in return for its cost, that is one way we could start to reduce the national debt.

Mr. DOUGLAS. If the principle that the public should reimburse private interests for property which the public takes is sound, is not the principle that a private interest should reimburse the public for property which private interests take also sound?

Mr. LONG of Louisiana. The Senator is correct. I cannot find anything to argue about in his statement. We did that with the rubber plants. Of course, the rubber plants were not as large as A.T. & T. But the people who got the rubber plants were made to pay the Government on a competitive basis what we thought the rubber plants were worth. It appears that a small- or a medium-size corporation is charged the full price of a facility it might receive, but the largest corporation on earth, we are told, should receive a facility for practically nothing.

Mr. DOUGLAS. Instead of saying that the Government owns the proposed developments, would it not be better to say that the people own the developments?

Mr. LONG of Louisiana. Yes, that is true. When the Government owns something, I always think of it as being owned for the benefit of 180 million people in the country. I am not wedded to the idea that the communications satellite system should be Government-owned.

Mr. DOUGLAS. Neither is the Senator from Illinois.

Mr. LONG of Louisiana. I personally like the idea of turning the system over to a private corporation. But I feel that it should be done in a way that would create what the President stated in his message. There should be maximum possible competition. We should make these fellows compete. Here is an opportunity to make the A.T. & T. monopoly compete with others. We have an opportunity to start some real competition in the field.

It seems to me that the Government should develop the system to the point at which we have the possibility of competition. Then we ought to let somebody go in there and compete with that company and see what they can do with a new system.

When we chartered airlines, we did the same thing. We would not permit rail carriers to have airlines. If the railroads owned the airlines, they would have done all they could to keep the airlines from undermining their existing rate base and providing a more efficient service. They would have done what they could to protect their existing investment in the railroads, which enormously exceeded their investment in any other technology. The same thing would have been true with regard to the waterways. The Senator knows as well as I do that if we permitted the railroads to own the water carriers, users would be charged the same price whether goods went by land or by water.

Does the Senator recall the fight over the basing point price when the seller was charging the same price, whether the product was moved by rail or water?

Mr. DOUGLAS. What would the Senator from Louisiana say to the claim that was made that it is necessary to pass the pending bill now, if we are going to get a space communications satellite system?

Mr. LONG of Louisiana. What would I say? I would say baloney.

Mr. DOUGLAS. That argument has been used again and again.

Mr. LONG of Louisiana. Baloney.

Mr. DOUGLAS. Can the Senator prove that it is baloney?

Mr. LONG of Louisana. I believe I can prove it is foolish. There is no merit to the argument.

Mr. DOUGLAS. Will the Senator proceed to do so?

Mr. LONG of Louisiana. The Telstar is up there. Even if it is only half as good as they claim it is, it is up there. The Government launched Telstar for A.T. & T. There is a satellite up there even without the bill.

Mr. DOUGLAS. Would A.T. & T. pay for any more communications satellites unless the bill was passed?

Mr. LONG of Louisiana. I do not know. If it is any good, they might pay for it. I have a very low regard for the low-orbit satellites for communications purposes. After studying the subject for 16 months or so, I am convinced that the only good one, the one worth anything, is the synchronous satellite system that is available for 24 hours, with which three satellites can provide worldwide continuous service. The Russians are getting ready to put up that kind of a satellite. They have the missile power to do it. They may not be as good from the standpoint of communications as we are, but they do have the missile power. The reason that we are so slow in getting one up there is that we do not have the missile power. I would like to read from this newspaper report:

The Soviet Union—

Now, I ask Senators to bear in mind that these Russians have a way of putting these things up there without advertising it 2 or 3 years in advance, just as they did with Sputnik No. 1 and Sputnik No. 2. These things are up there in space before we know anything about it.

I read from this press release from East Berlin:

BERLIN.—The Soviet Union plans to send up two communications satellites to beam propaganda programs around the world, an East Berlin newspaper said today.

The Berliner Zeitung said the Soviet twin satellites would be put in orbit shortly but added they were still being fitted out.

The newspaper report said each satellite would transmit on three different linear systems, over six channels so the transmissions could be received on various types of television sets.

In other words, they are going to send a television signal that can be received on television sets. I have been contending that that kind of thing can be done. Evidently they are going to do it.

Mr. DOUGLAS. The present system does not broadcast directly to the set, but simply to the ground stations; is that correct?

Mr. LONG of Louisiana. The Telstar satellite is available for only a few minutes. It is necessary to get it between Andover, Maine, and the station in Europe. They have the ground station on a turntable arrangement. It works as though one were trying to balance an elephant on the edge of a knife—so much precision is required to make it work exactly right and to make it possible to receive the signal, because the ears of the ground station antenna must be trained precisely in the right direction. Even then the signal lasts only for a very short time, and can be used only when the satellite is directly between two points.

The synchronous type satellite would be stationed at a point over the equator, and it would appear to remain in one spot as the earth revolved beneath it. The other stars would appear to rotate, but not the satellite. It would appear to be stationary in one spot in the sky. It would be as if a microwave tower had been built 22,000 miles high. With that system we would be able to relay signals back and forth. This could be used to broadcast around the entire world simultaneously, and it could be used to provide television programs.

Mr. DOUGLAS. It would be received directly by sets?

Mr. LONG of Louisiana. I do not believe we can do that right now, because we do not have the battery power, except by solar battery, to pick up the sun's rays, and to use the sun's rays for transmission. We do not have the lift power to put a large enough battery up there now. Perhaps the Russians can do it because they can lift heavier objects than we can in order to do this job. At such time as we can develop the atomic reactor battery that will be required I believe we will have reached that goal. In fact we are getting pretty good at it even now. I hold in my hand an article entitled "Triple-Satellite Shot Acclaimed as Major Atom and Space Feat."

Therefore, when we get the battery that can give us more sending power, we will be able to transmit the signal directly from the satellite to the television sets.

The newspaper report—and I do not know how accurate it is, but apparently there must be something to it—states that the satellite would transmit on three different linear systems, over six channels, so the transmissions could be received on various types of television sets.

Mr. DOUGLAS. By television sets, not television stations? In other words, if we stick to the low satellite system and the Russians put into effect a high system, they will be able to have direct communication with all the television sets in the world.

Mr. LONG of Louisiana. Yes; that is what they are talking about in this article.

Mr. DOUGLAS. And have a monopoly on television communications; is that correct?

Mr. LONG of Louisiana. Yes. Dr. Trotter, who is with General Telephone has stated before the Monopoly Subcommittee of the Small Business Committee:

A random orbit system could discredit us before the world as a leader in space communications if Russia establishes a stationary satellite system. If the United States went ahead with a low-random orbit system it would be possible for Russia to hold back until we were deeply committed to this system and had launched perhaps two-thirds of the satellites and then with three satellites the Russians could establish a truly worldwide system before our limited system was even in operation.

I would say that the kind of thing that the Russians are talking about would be a synchronous satellite system, because I do not know how they could televise to all the world with two satellites, unless they were using the synchronous-type satellite system. There would be fringes that would not be covered. Perhaps they would put one of the satellites in position to cover the Eurasian Continent and one to cover the United States and Europe. That would leave some uncovered zones in the Pacific. I would like to read further from this news release.

The satellite first will carry only two special programs originating in the Soviet Union.

However, the newspaper added, an exchange of programs between continents would be very nice "providing the programs of the United States reach a suitable level and serve peaceful aims bringing peoples closer together."

That is matter worth thinking about.

I raised the question with the Secretary of State, and he did not have any answer for it. What are we going to do after we charter this thing and protect A.T & T. and strengthen the monopoly, and help them get every kind of possible rate from the users, and then the Russians object to our charging the neutral nations for the use of this thing? Suppose they put one up there. This is not so prohibitive as one would think. We think that a launching would cost about $5 million, perhaps $4 million for the missile and $1 million for the capsule. Let us suppose that we put a couple of these things up there, and then the Russians object to it. Suppose they object to our letting this American monopoly make a profit, and they put one up there and offer the service free to the whole world with the use of two or three Russian satellites. We could not meet their offer, even though we had been up there first.

Speaking of broadcasting by television and radio, I suppose the old song, "The Best Things in Life Are Free," could be beamed to the whole world, but the words would be changed to read:

This satellite belongs to everyone
It's put here for you and me
Don't tune in on that Telstar
That's owned by A.T. & T.

The flowers in spring,
The birdies that sing
The sunbeams that shine
They're yours, they're mine
And love can come to everyone
It's not a monopoly.

[Laughter.]

Mr. KEFAUVER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. Apropos the colloquy which the Senator has had with the distinguished Senator from Illinois as to the urgency of the bill, is it not true that Dr. Welsh, Mr. Webb, and everyone else who has anything to do with this project say that all the research and development that can be done is going along at full steam, regardless of whether or not the bill passes at the present time?

Mr. LONG of Louisiana. That is correct. It is not necessary to pass the bill to give the satellite to A.T. & T. It can get it even now. We are doing it in the case of Telstar. A bill is not needed for that purpose. The purpose of the bill is to authorize a monopolistic consortium, to let all the companies get together under one tent, in violation of the antitrust laws. The bill is needed to hogtie the hands of the Secretary of State, and to say that the U.S. Government cannot use its own communications system to send out its own messages.

But the bill is not needed to give Telstars to A.T. & T. A.T. & T. can get 50 Telstars without the bill.

Mr. KEFAUVER. Is it not also true that the Government has a contract with the Hughes Aircraft Co., under which the Hughes Co. is rapidly developing a Syncom satellite, to be placed in orbit at 22,900 miles; that we have the firepower to place it in orbit; and that this project will determine the workability of and will show what can be done with a high-altitude satellite?

Also, is it not true that the Signal Corps, which has been to some extent taken over by the Air Force in its communications satellite work, has the Advent program, which is a high-altitude Syncom satellite, and that the corporation could do nothing until it was decided what kind of system would be used?

Mr. LONG of Louisiana. I have been amused to read from the reports why the bill is needed. To me, it is rather amusing, because while the proponents try to give the impression to the newspapers that the bill is needed in order to put a low system in orbit, the fact is that the very committees which reported and recommended that the bill be passed did not make such a claim. Their claims and reasons are unimpressive to me, but they have not told us the real reasons why the bill is needed. The bill is needed in order that no one else may have a satellite in competition with the proposed corporation.

I refer Senators to page 265 of the hearings on the Communications Satellite Act of 1962 before the Committee on Foreign Relations. Listen to this:

Senator GORE. Under present law as I understand your testimony, Dr. Dryden, the space agency has not undertaken to confine the research and development in this field to one particular company or group?

Dr. DRYDEN. That is correct. We have financed at Government expense a development by the Radio Corp. of America and another by the Hughes Aircraft Co.

Senator GORE. Then you would supply to any other company having the requisite technical capabilities, the services which you supplied to A.T. & T.?

Dr. DRYDEN. That is correct, sir.

Senator GORE. If this bill passes, would you expect other concerns to enter the field?

Dr. DRYDEN. If the bill passes and the corporation is set up, I think we would interpret this desire to contribute to the early realization of an operational system to mean that we would cooperate—in accordance with the provisions in the bill before you—with the corporation, and that this would——

Senator GORE. Exclusively?

Dr. DRYDEN. So far as this offer that I just spoke of, of launching satellites for private interests, so to speak.

Senator GORE. In other words, if this bill passes, then it will be the position of the Space Administration that you would not enter into negotiations with any other American citizen or American concern for the launching of communication satellites? Did you not put it that way in your statement?

Dr. DRYDEN. Yes.

Mr. KEFAUVER. In other words, there would be no opportunity to test the Hughes high-altitude satellite, because the Government would have committed it to A.T. & T.?

Mr. LONG of Louisiana. No; Hughes could launch it, but Hughes could not own it. The corporation would own it; the monopolistic consortium would own it; no one else could have it.

Why is the proposed legislation needed? Whom do the proponents think they are kidding? In view of all these facts, why the legislation now?

Here is the report Hughes acted on.

Mr. KEFAUVER. The Hughes Aeronautics Co.

Mr. LONG of Louisiana. I refer to the report of the House Committee on Interstate and Foreign Commerce.

WHY LEGISLATION NOW?

In view of all of these facts which make the establishment of a global communications satellite system very much a thing of the future, the question might be asked why it is necessary to enact legislation now, and why the establishment of a communications satellite corporation cannot await the conclusion of the international agreements upon which the establishment and operation of such a global system depend. The answer to this question is very clear.

If a national policy of private ownership and operation of the U.S. portion of the international system is to be assured, the instrumentality therefor must be established now. If this instrumentality is not created

at the earliest possible date, all planning for U.S. participation in the international system will have to be done by Government agencies. Our private communications carriers, especially in view of the antitrust laws, will be prevented from cooperating effectively with each other and with the Government agencies in preparing effective plans for U.S. participation in the international system.

That did not stop this crowd from getting together in a room in violation of law. They were called in and were told that somebody from the Attorney General's office would be present to assist the group that went into the consortium. That did not stop the group from getting together and coming forth with the ad hoc committee plan. That is so much "baloney." Perhaps I had better use a better word to show some respect for the House committee; but the reason is that if the antitrust laws can be violated, the Government cannot use the Government facilities to do Government work; and if the Government has its own satellite in orbit, it cannot use it; therefore, the Government is supposed to go to work for the A.T. & T. whenever A.T. & T. calls upon the Government.

Mr. KEFAUVER. Did not the Rand Corp. study, made and paid for by NASA, conclude that this proposal must be left flexible, and not frozen into one kind of situation or into a low-orbit system, until it could be determined what would be the most effective kind of space communications system?

Mr. LONG of Louisiana. That is correct. Rand Corp. made a study, and the recommendation of the Rand Corp. was not blinded by the fear that this new method of communication might make obsolete, and even unprofitable, many of the monopolistic operations of the present monopoly.

Mr. KEFAUVER. Is it not also true that several knowledgeable witnesses from large corporations have testified that the proposed corporation would have nothing to do for a year and a half except to sit on its hands; and did they not also testify that until the proper kind of system had been decided upon, the corporation could not even meet the requirements of the Securities and Exchange Commission to study the kind of system needed in order to conform with the financial requirements of the SEC?

Mr. LONG of Louisiana. That is correct.

Mr. DOUGLAS. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. I yield for a question.

Mr. DOUGLAS. The Senator from Illinois is keeping his mind open on this subject, but another argument has been advanced time after time to the effect that the bill must be passed in order that the United States may be represented at the forthcoming international conference, which I understand is to be held in the fall of 1963.

That argument has been used again and again. Will the Senator state whether he thinks it is a correct argument; or, if not, why not?

Mr. LONG of Louisiana. Such agreements can be negotiated in two ways. Incidentally, the important thing to negotiate about is the assignment of wavelengths, because there are only a certain number of positions in space and only a certain number of bands in the spectrum. So the assignment of wavelengths is the important thing.

The United States has conducted such negotiations with other governments, and has done so by means of representatives sent by the President of the United States. On the other hand, if it were felt that, in addition, the assistance of representatives of certain private companies is needed, they could be invited to attend, too.

Mr. DOUGLAS. Is it true that such agreements have been negotiated by our Government—not by private companies, such as the National Broadcasting System, for example?

Mr. LONG of Louisiana. Yes, always.

Mr. DOUGLAS. So the Government could, by itself, handle the negotiations for the assignment of the wavelengths?

Mr. LONG of Louisiana. Of course; and private groups interested in that matter could have their representatives there, too. All of us know the Government is honeycombed with former representatives of A.T. & T.

Mr. KEFAUVER. Mr. President, will the Senator from Louisiana yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. Will not our country be in a much stronger position at the 1963 conference if representatives of the Government of the United States, rather than representatives of a private, monopoly corporation, participate?

Mr. LONG of Louisiana. Of course.

Furthermore, let me point out that most of the other countries of the world have state-owned telephone systems. Certainly that is the system the Russians have; and they contend they will refuse to negotiate with any American monopoly. So if it is necessary to reach such an agreement, so that there will not be duplication in the use of various wavelengths, representatives of our Government should be sent there. Otherwise the Russians would refuse to negotiate.

So far, we have certainly gotten along fairly well by having representatives of our Government participate in such negotiations—including those in connection with the International Geophysical Year.

Mr. SPARKMAN. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. SPARKMAN. I ask unanimous consent, Mr. President, that the Senator from Louisiana may yield to me, for the purpose of having read at the desk, by the clerk, an amendment which I have at the desk.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield for that purpose—although I say to my good friend, the Senator from Alabama, that if there is to be objection, I may conclude——

Mr. SPARKMAN. Let me point out that this is not submitting an amendment.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana?

Mr. CARLSON. Mr. President, reserving the right to object, let me say that I understand that the Senator from Alabama wishes to have read by the clerk an amendment which the Senator from Alabama already has at the desk.

Mr. SPARKMAN. That is correct.

Mr. CARLSON. I shall not object.

The ACTING PRESIDENT pro tempore. Without objection——

Mr. GORE. Mr. President, reserving the right to object, I should like to have the request amended, so as to have the clerk read two short amendments which I send to the desk.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. CARLSON. Mr. President, reserving the right to object, let me ask whether these amendments have already been submitted.

Mr. GORE. No, they have not.

Mr. CARLSON. Then I must object.

Mr. SPARKMAN. Mr. President, let me say that there is a difference between my amendment and the amendments referred to by the Senator from Tennessee. My amendment has already been at the desk.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana?

Mr. CARLSON. Mr. President, I shall have to object to a request to have additional amendments read at the desk. I shall not object to a request to have the clerk read amendments which already are at the desk.

The PRESIDING OFFICER. Objection is heard.

Mr. LONG of Louisiana. Mr. President, I am sorry that one of my friends who is supporting my position is objecting to the reading of this amendment. It is most unusual to have such an objection made. Even if Senators on the Republican side of the aisle, including the minority leader, have fallen into this error, I hope the Senator from Tennessee [Mr. GORE], who is on my side of the issue, will not fall into the same error.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana to have the amendment of the Senator from Alabama read by the clerk?

Mr. GORE. Mr. President, reserving the right to object—although I have not objected—let me say that I do not understand why the reading of my amendment is objected to, whereas there is no objection to having the clerk read the amendment of the distinguished, able, and lovable junior Senator from Alabama [Mr. SPARKMAN], who is one of the proponents of the pending bill.

Mr. SPARKMAN. Let me say, Mr. President, that my amendment has been at the desk since some time in June.

Mr. GORE. But my amendment has been lying on my desk all day. I do not quite understand this double standard. I do not object to having the amend-

ment of the Senator from Alabama read, and I do not quite understand why my Republican friend would object to having my amendments read.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana that the amendment of the Senator from Alabama [Mr. SPARKMAN] be read by the clerk, with the understanding that in that connection the Senator from Louisiana will not lose the floor?

The Chair hears no objection; and the clerk will proceed to read the amendment of the Senator from Alabama.

Mr. SPARKMAN'S amendment was read by the legislative clerk, as follows:

On page 27, line 17, beginning with "and the Commission shall consult" strike out all through "maintenance and repair." on line 24.

On page 30, strike the period on line 18 and insert "; and", and, after line 18, insert the following:

"(12) in order to insure that small business concerns are given an equitable opportunity to share in the procurement programs of the corporation and communications common carriers for property and services (including but not limited to research, development, construction, maintenance and repair), cooperatively develop with the Small Business Administration within four months after the effective date of this Act a small business contracting program to be applicable to the contracting and procurement activities of the corporation and to those contracting and procurement activities of communications common carriers which relate to the development, establishment, maintenance, repair and operation of the communications satellite system (including communications satellites and associated equipment and facilities) and satellite terminal stations. The program shall contain such provisions as may be necessary to (A) enable small business concerns to have an equitable opportunity to compete, either directly or as subcontractors, for contracts and procurements for property and services (including but not limited to research, development, construction, maintenance, and repair) awarded in the implementation and effectuation of the purposes of this Act, and (B) enable the Small Business Administration to obtain from the corporation and communications common carriers such reasonably obtainable information concerning contracts and procurement, including subcontracts thereunder, awarded in the implementation and effectuation of the purposes of this Act. In the event the Federal Communications Commission and the Small Business Administration cannot reach agreement on any matter with regard to the development of the small business contracting program, the matter in disagreement shall be submitted to the President who shall make the final determination. The small business contracting program developed pursuant to this paragraph shall be incorporated into the rules and regulations to be promulgated by the Commission pursuant to paragraph (11) of this subsection."

Mr. SPARKMAN. I thank the Senator.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield, reserving my rights to the floor, for a similar request by the Senator from Tennessee.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GORE. Mr. President, I send to the desk a brief amendment, which I ask the clerk to read.

Mr. CARLSON. Mr. President, reserving the right to object, the distinguished Senator from Tennessee well knows the rules of the Senate and he knows he can secure permission to read amendments in his own right, following the regular order of Senate procedure, and he should not request the clerk to read them. Therefore I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. LONG of Louisiana. Mr. President, may I ask that the clerk send me that amendment? I believe I can solve the problem.

I hold in my hand an amendment intended to be proposed by the Senator from Tennessee [Mr. GORE] to H.R. 11040, to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, viz—which I guess means "namely"—

Beginning with line 3, page 38, strike out all to and including line 14, page 38, and insert in lieu thereof the following:

"FOREIGN NEGOTIATIONS

"SEC. 402. The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State."

I ask the Chair if that amendment has been read.

The ACTING PRESIDENT pro tempore. No.

Mr. LONG of Louisiana. Well, I tried.

The ACTING PRESIDENT pro tempore. If the Senator from Louisiana will permit the Chair to state it, in order to be officially before the Senate the amendment must be submitted and read by the clerk, and if it were submitted and read by the clerk the Senator from Louisiana would lose the floor.

Mr. LONG of Louisiana. Well, Mr. President, all I am talking about here is the fact that under the cloture rule, when a gag rule is put on the Senate, an amendment must have been read in order to be eligible to be considered. It seems to me, since the amendment has been read to the Senate, it should be eligible.

The ACTING PRESIDENT pro tempore. Will the Senator permit the Chair to make a statement?

According to the rule, the reading requirement of the rules has been met if the amendment has been read by the secretary or by the Senator proposing it. Is the Senator from Louisiana proposing the amendment?

Mr. LONG of Louisiana. I propose it on behalf of the Senator from Tennessee and myself.

The ACTING PRESIDENT pro tempore. It does not comply with the rule.

Mr. LONG of Louisiana. Does the Chair mean that, if we are both on the amendment, neither one of us can read it?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana may read the amendment over and over and over, but before it can be officially presented to the Senate it must be read by the clerk or the Senator proposing it.

Mr. LONG of Louisiana. Mr. President, after a while I will withdraw my amendment and let the Senator from Tennessee propose his so it can be read. It seems to me it is a sad day when a Senator cannot have his amendment read. So I withdraw my amendment.

Mr. GORE. Mr. President, I send an amendment to the desk and ask that the clerk read it.

Mr. CARLSON stood.

Mr. GORE. I am recognized in my own right, and I yield to no one for objection or anything else.

Mr. CARLSON. Mr. President, a parliamentary inquiry.

Mr. GORE. I do not yield for a parliamentary inquiry until the clerk reads the amendment. I do not yield for a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee lost the floor when the amendment was submitted.

Mr. CARLSON. Mr. President——

Mr. GORE. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Kansas will state his parliamentary inquiry.

Mr. GORE. Mr. President, a point of order.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. GORE. When a Senator is recognized in his own right——

The ACTING PRESIDENT pro tempore. The Senator from Tennessee was recognized.

Mr. GORE. And submits an amendment to the Chair and asks for its reading, that is a parliamentary right to which he is entitled, and a parliamentary inquiry does not lie until the amendment is reported.

The ACTING PRESIDENT pro tempore. The Senator's amendment will be read in due time. The Senator is correct, but there is a hiatus between the time when the Senator submits the amendment and the time when the amendment is read, where he loses the floor, and the Senator from Kansas may, in his own right, submit a parliamentary inquiry.

Mr. GORE. I do not mind the Senator's enjoying the hiatus, if my amendment is read.

The ACTING PRESIDENT pro tempore. The amendment of the Senator will be read in due time. The Senator from Kansas is recognized for a parliamentary inquiry.

Mr. CARLSON. Mr. President, my parliamentary inquiry was going to be whether or not the Senator from Louisiana [Mr. LONG] relinquished the floor. I did not hear him state it.

Mr. LONG of Louisiana. Mr. President, I rise only to say that I was in my chair when the Senator asked the question.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee was recognized in his own right, and he offered the amendment. The clerk will read the amendment.

The legislative clerk:

Mr. GORE proposes:

Beginning with line 3, page 38, strike out all to and including line 14, page 38, and insert in lieu thereof the following:

"FOREIGN NEGOTIATIONS

"Sec. 402. The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State."

Mr. GORE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee will state it.

Mr. GORE. What is the business pending before the Senate?

The ACTING PRESIDENT pro tempore. There is no pending business. Does the Senator from Tennessee desire that his amendment be made the pending business?

Mr. GORE. I sent it to the desk and asked that the clerk read it. It is the pending business.

The ACTING PRESIDENT pro tempore. The pending business is the amendment immediately offered by the Senator from Tennessee.

Mr. GORE. Then it will be eligible to be voted on Monday, and I shall ask for a vote immediately upon the convening of the Senate Monday.

The ACTING PRESIDENT pro tempore. The Senator is correct, of course.

Mr. KEFAUVER. Mr. President, will the Senator from Tennessee yield for a unanimous-consent request?

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. KEFAUVER. Mr. President, I ask the Senator from Tennessee to yield.

The ACTING PRESIDENT pro tempore. Does the junior Senator from Tennessee yield to the senior Senator from Tennessee?

Mr. GORE. I yield to the senior Senator from Tennessee for a question.

Mr. KEFAUVER. For a unanimous-consent request, with the understanding that he does not lose the floor?

Mr. GORE. I must say that my understanding with the junior Senator from Louisiana [Mr. LONG], who was in the course of delivering a very able speech, was that I would ask him to yield to me only for the purpose of submitting my amendment. I feel that I must not yield for any purpose, but let the Senator from Louisiana regain the floor.

Mr. LONG of Louisiana. I do not mind.

Mr. GORE. The junior Senator from Louisiana informs me that he does not mind, so I ask unanimous consent that I may yield to the senior Senator from Tennessee, without prejudicing my rights to the floor, for the purpose which the senior Senator from Tennessee has in mind, of submitting an amendment to be read and to lie on the table.

Mr. CARLSON. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. Is there objection to the request of the junior Senator from Tennessee?

Mr. CARLSON. I object.

The ACTING PRESIDENT pro tempore. The Senator from Kansas objects.

Mr. KEFAUVER. Before the Senator objects——

Mr. GORE. Mr. President, I yield for a question.

Mr. KEFAUVER. Reserving the right to object, may I explain what I was trying to do?

Mr. KUCHEL. Mr. President, the regular order.

The ACTING PRESIDENT pro tempore. The regular order is called for. The junior Senator from Tennessee.

Mr. LONG of Louisiana. Mr. President——

The ACTING PRESIDENT pro tempore. Does the junior Senator from Tennessee yield to the junior Senator from Louisiana?

Mr. GORE. I yield the floor.

Mr. LONG of Louisiana. Mr. President, I should like to make a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. LONG of Louisiana. I have a number of amendments to be proposed. If I read these amendments as amendments I intend to offer, will the amendments be eligible to be considered in the event that a gag rule is voted on the Senate?

The ACTING PRESIDENT pro tempore. The Senator's amendments should be read at the desk before the vote on cloture is taken, and, in the event cloture is adopted, before cloture is adopted.

The Senator can submit the amendments now and have them read and they will be eligible for consideration in the event cloture is adopted.

Mr. LONG of Louisiana. Very well. I send to the desk a number of amendments and ask that they be read by the clerk.

The ACTING PRESIDENT pro tempore. The amendments will be read by the clerk.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the reading of the amendments may be dispensed with, and that they may be considered as read, unless Senators merely wish to sit around and listen to the clerk read them.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana?

Mr. KUCHEL. Mr. President, what is the request?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana asks unanimous consent that the amendments he is submitting be considered as having been read, be printed, and be eligible for consideration in the event cloture is adopted.

Mr. KUCHEL. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. The Senator from California reserves the right to object.

Mr. KUCHEL. What is the pending question?

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment offered by the junior Senator from Tennessee.

Mr. KUCHEL. The Senator from Louisiana now desires to have his amendments read?

The ACTING PRESIDENT pro tempore. The Senator wishes to have his amendments read in order that they may be read and eligible for consideration.

Mr. KUCHEL. Did the Senator from Tennessee purport to yield to the Senator from Louisiana?

Mr. LONG of Louisiana. He did not yield. I have the floor.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana was recognized after the junior Senator from Tennessee yielded the floor. The Senator from Louisiana has the floor at this time.

Mr. KUCHEL. And the Senator asks unanimous consent that his amendments be considered as read, and printed in the RECORD?

The ACTING PRESIDENT pro tempore. That is the understanding of the Chair of the unanimous-consent request.

Mr. LONG of Louisiana. I first asked——

Mr. KUCHEL. Wait a minute, I say to my colleague.

Mr. President, what are the parliamentary rights of an individual who has the floor? Can he ask unanimous consent to get the amendments in? If denied consent, then what will happen?

The ACTING PRESIDENT pro tempore. The Senator has a right to have the amendments read. Senators can sit and listen to the amendments read. The Senator asked unanimous consent to have the amendments considered as read and printed, to be taken up at a later time, in order to meet the requirements of the rule.

Mr. KUCHEL. I am glad to tell my friend that I have no objection.

Mr. LONG of Louisiana. I will get them in, anyway, but I thank my delightful friend from California for his thoughtful consideration.

Mr. CARLSON. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Kansas reserves the right to object.

Mr. CARLSON. Is the pending amendment the amendment offered by the Senator from Tennessee [Mr. GORE], or has he withdrawn the amendment, or what has happened?

The ACTING PRESIDENT pro tempore. The junior Senator from Tennessee [Mr. GORE] has offered an amendment, which is the pending question.

The Senator from Louisiana has sought to offer amendments in his own right, after recognition, to be read and to be considered under the rule at a later date. The Senator now has asked unanimous consent that the amendments be considered as having been read, rather than having them read by the clerk.

Is there objection to the request of the Senator from Louisiana?

Mr. KUCHEL. Mr. President, again reserving the right to object, does the

Senator contemplate speaking on those amendments now?

Mr. LONG of Louisiana. If the Senator requires me to have the amendments read, it will take quite a while before I can get around to talking, because it will take the clerk some time to read all of them. If the Senator will give consent, then we shall be winding up sometime within the next 20 minutes.

Mr. KUCHEL. The Senator does not contemplate speaking at length on these amendments?

Mr. LONG of Louisiana. Not now.

Mr. KUCHEL. Then I urge my colleagues to agree to the unanimous-consent request. [Laughter.]

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

The amendments are as follows:

On page 38, strike out lines 3 through 14, inclusive, and insert in lieu thereof the following section:

"CONDUCT OF FOREIGN BUSINESS NEGOTIATIONS

"SEC. 402. Except as provided by this section, the corporation may not enter into negotiations with any international organization, foreign government or foreign governmental entity. Whenever any such negotiation is required for the fulfillment of the objects of the corporation, it shall notify the Department of State as to the nature and purpose of the negotiations desired. Subject to the direction of the President, the Department of State will conduct and supervise any such negotiations with the assistance of duly authorized representatives of the corporation. No agreement with any international organization, foreign government, or foreign governmental entity may be entered into by the corporation without the approval of the Department of State."

On page 30, line 22, immediately after the section number "SEC. 301.", insert the subsection designation "(a)".

On page 31, line 2, immediately following the period, insert the following new sentence: "The Articles of Incorporation and bylaws of the corporation, and any amendment thereof, shall contain provisions effective to carry into effect the requirements of this Act, as determined by the Attorney General.".

On page 31, between lines 4 and 5, insert the following new subsections:

"(b) All powers conferred upon the Commissioners of the District of Columbia by sections 7(c), 88, 89, and 90 of the District of Columbia Business Corporation Act (D.C. Code, title 29, sec. 901 and the following) also may be exercised with respect to the corporation by the Attorney General of the United States in the name of the United States. It shall be the duty of the Attorney General in the name of the United States to enforce compliance by the corporation with the requirements of this Act relating to the corporation, and for that purpose he shall have all powers conferred by sections 120 and 149 of that Act upon the Commissioners of the District of Columbia.

"(c) Notwithstanding the provisions of section 17 of the District of Columbia Business Corporation Act (D.C. Code, title 29, sec. 908d), all shares of the stock of the corporation of any class issued at any time shall be sold for a uniform price, and no share of the stock of the corporation may be issued in exchange for any consideration other than the payment of a sum of money equal to that price.

"(d) Notwithstanding the provisions of section 18 and section 55 of the District of Columbia Business Corporation Act (D.C. Code, title 29, sec. 908e, 922), all shares of voting stock issued by the corporation shall be included in its stated capital, and no such share shall be entitled to any preferential right in the assets of the corporation in the event of its involuntary liquidation.

"(e) Notwithstanding the provisions of section 23 of the District of Columbia Business Corporation Act (D.C. Code, title 29, sec. 908j), no stockholder in the corporation which is a communications common carrier shall have any preemptive right to acquire additional shares of the stock of the corporation, and the corporation may not issue shares of its stock to officers or employees of the corporation without first offering such shares to its stockholders and to the public.

"(f) Notwithstanding the provisions of section 30 of the District of Columbia Business Corporation Act (D.C. Code, title 29, sec. 914), stockholders of the corporation may not establish any voting trust for the purpose of conferring upon one or more trustees the right to vote or otherwise represent their shares.

"(g) Notwithstanding the provisions of section 33 of the District of Columbia Business Corporation Act (D.C. Code, title 29, sec. 916a), the number of directors of the corporation may not be increased or decreased by any amendment to the bylaws of the corporation.

"(h) Notwithstanding the provisions of section 36 of the District of Columbia Business Corporation Act (D.C. Code, title 29, sec. 916d), the presence of at least two directors appointed by the President, by and with the advice and consent of the Senate, shall be required to constitute a quorum of the board for the transaction of business of the corporation.

"(i) Notwithstanding the provisions of section 37 of the District of Columbia Business Corporation Act (D.C. Code, title 29, sec. 916e), no executive committee may be established by the board of the corporation to exercise any authority conferred upon the board unless that committee includes at least two of the directors appointed by the President by and with the advice and consent of the Senate.

"(j) Notwithstanding the provisions of section 40 or section 41 of the District of Columbia Business Corporation Act (D.C. Code, title 29, secs. 917, 917a), no share of the voting stock of the corporation shall have any preferential right to receive dividends, or to receive any preferential treatment in the event of the liquidation of the corporation.

"(k) Notwithstanding the provisions of section 45 of the District of Columbia Business Corporation Act (D.C. Code, title 29, sec. 920), the Attorney General and each director of the corporation appointed by the President by and with the advice and consent of the Senate, or any duly designated representative thereof, at all times during the business hours of any day may examine all books and records of the corporation without regard to his possession of shares of stock in the corporation.

"(l) Notwithstanding the provisions of section 59 and section 60 of the District of Columbia Business Corporation Act (D.C. Code, title 29, secs. 924, 924b), no stockholder or any class of stockholders may be accorded any preferential treatment with respect to the redemption of shares, or the purchase of redeemable shares, of the corporation.

"(m) Notwithstanding the provisions of sections 64, 65, 66, 67, 68, 69, 70, 71, 72, and 73 of the District of Columbia Business Corporation Act (D.C. Code, title 29, secs. 927–927i), the corporation may not merge or consolidate with any other corporation, or establish any subsidiary corporation, unless such action is expressly authorized by legislation hereafter enacted by the Congress.

"(n) Notwithstanding the provisions of sections 74 and 75 of the District of Columbia Business Corporation Act (D.C. Code, title 29, secs. 928–929), the corporation may not sell, lease, exchange, mortgage, pledge, or otherwise dispose of all or substantially all of its property or assets unless such action is expressly authorized by legislation hereafter enacted by the Congress.

"(o) Notwithstanding the provisions of sections 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, and 87 of the District of Columbia Business Corporation Act (D.C. Code, title 29, secs. 930–930k), the corporation may not effectuate its voluntary dissolution unless such action is expressly authorized by legislation hereafter enacted by the Congress.

"(p) Notwithstanding the provisions of sections 122, 123, 124, 125, 126, 127, and 137 of the District of Columbia Business Corporation Act (D.C. Code, title 29, secs. 937–938d, 948), the articles of incorporation of the corporation may not be revoked, and its right to engage in business may not be terminated or suspended, by the Commissioners of the District of Columbia unless such action is expressly authorized by legislation hereafter enacted by the Congress.

"(q) Notwithstanding the provisions of sections 141 and 142 of the District of Columbia Business Corporation Act (D.C. Code, title 29, secs. 952–952a), the corporation may not be reincorporated unless such action is expressly authorized by legislation hereafter enacted by the Congress."

On page 37, line 13, immediately after the word "Act", insert the words "except as otherwise provided by this Act."

On page 38, between lines 14 and 15, insert the following new section:

"SECURITY PROVISIONS

"SEC. 403. (a) The corporation shall establish such security requirements, restrictions, and safeguards as the President shall determine to be necessary in the interest of the national security.

"(b) The Civil Service Commission is authorized to conduct such activity or other personnel investigations of officers, employees, agents, and consultants of the corporation, communications common carriers, and contractors and subcontractors, actual or prospective, as the board of directors of the corporation may determine to be required for the protection of the national security. If information obtained through any such investigation indicates that the individual who is the subject of that investigation may be of questionable loyalty to the Government of the United States, the matter shall be referred to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the board.

"(c) Whoever willfully violates, attempts to violate, or conspires with any other person to violate any regulation or order promulgated by the board of directors of the corporation for the protection or security of any part of the communications satellite system, any satellite terminal station, any associated equipment, and facilities, or any laboratory or other facility related to or used in connection with the communications satellite system, of the corporation, any communications common carrier, or any contractor or subcontractor of the corporation or any such common carrier, shall be fined not more than $5,000, or imprisoned not more than one year, or both."

On page 38, line 16, strike out the section number "403", and insert in lieu thereof the section number "404".

On page 39, line 15, strike out the section number "404", and insert in lieu thereof the section number "405".

On page 26, line 12, immediately after the words "public interest", insert a comma and the words "except that any such cooperative research conducted in whole or in part through the expenditure of any funds appropriated to the National Aeronautics and Space Administration shall be subject to

the provisions of section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457)".

On page 37, between lines 13 and 14, insert the following new section:

"PROPERTY RIGHTS IN INVENTIONS

"SEC. 305. (a) Whenever any invention is made in the course or incident to the performance of any contract entered into by or on behalf of the corporation, such invention shall be the exclusive property of the corporation, and if such invention is patentable, a patent therefor shall be issued to the corporation notwithstanding any other provision of law upon application made by the corporation, unless the corporation, acting in conformity with policies and procedures adopted by the board of the corporation, waives all or any part of the rights of the corporation to such invention in compliance with the provisions of this section. No patent may be issued to any applicant other than the corporation for any invention which appears to the Commissioner of Patents to have significant utility in the development or operation of a communications satellite system, a satellite terminal station, or associated equipment and facilities unless—

"(1) the applicant files with the Commissioner, with the application or within thirty days after request therefor by the Commissioner, a written statement executed under oath setting forth the full facts concerning the circumstances under which such invention was made and stating the relationship (if any) of such invention to the performance of any contract of the corporation; and

"(2) the corporation transmits to the Commissioner a written certification to the effect that such invention is not subject to the provisions of this section.

Copies of each such statement and the application to which it relates shall be transmitted forthwith by the Commissioner to the corporation.

"(b) Each contract entered into by the corporation with any part for the performance of any scientific, technological, or developmental activity shall contain effective provisions under which such party shall furnish promptly to the corporation a written report containing full and complete technical information concerning any invention, discovery, improvement, or innovation which may be made in the performance of such activity.

"(c) Under such regulations as the board of the corporation shall adopt, in compliance with the provisions of this section and with the approval of the Commission, the corporation may waive all of or any part of its proprietary rights under this section with respect to any invention or class of inventions made or which may be made by any person or class of persons in the performance of any activity required by any contract of the corporation if the corporation determines that its financial interests will be advanced thereby. Any such waiver may be made upon such terms and under such conditions as the corporation shall determine to be required for the protection of its financial interests. Each such waiver made with respect to any invention shall include provisions effective to reserve an irrevocable, nonexclusive, nontransferable, royalty-free license for the practice of such invention throughout the world by or on behalf of the corporation, the United States Government or any department, agency, or instrumentality thereof, or any foreign government pursuant to any treaty or agreement with the United States. Each proposal for any waiver under this subsection shall be referred to an Inventions Authority which the corporation shall establish. Such Authority shall accord to each interested party an opportunity for hearing, and shall transmit to the board of the corporation its findings of fact with respect to each such proposal and its recommendations for action to be taken with respect thereto.

"(d) Subject to approval by the Commission, the board of the corporation shall determine, and promulgate regulations specifying, the terms and conditions upon which licenses will be granted by the corporation for the practice by any nongovernmental person of any invention for which the corporation holds a patent.

"(e) The corporation shall take all suitable and necessary action to protect any invention or discovery in which it has any proprietary interest. The corporation shall take appropriate action to insure that any nongovernmental person who acquires any proprietary interest in any invention of discovery under this section will take appropriate action to protect that invention or discovery.

"(f) As used in this section—

"(1) the term 'person' means any individual, partnership, corporation, association, institution, or other entity;

"(2) the term 'contract' means any actual or proposed contract, agreement, understanding, or other arrangement, including any assignment, substitution of parties, or subcontract executed or entered into thereunder; and

"(3) the term 'made,' when used in relation to any invention, means the conception or first actual reduction to practice of such invention."

On page 37, between lines 13 and 14, insert the following new sections:

"NEGOTIATION OF CONTRACTS BY THE CORPORATION

"SEC. 306. (a) Except as otherwise provided by this section, purchases of and contracts for any property or services by the corporation shall be made exclusively by public advertisement for bids, and by the acceptance by the corporation of the lowest bid submitted by a responsible bidder who is qualified to furnish such property or services. Advertisement for any bid shall be published in such manner and at such time as to enable the maximum number of qualified and responsible bidders to participate in the bidding in response thereto. In each instance, the corporation shall furnish promptly, upon request made by any qualified prospective bidder, full particulars concerning the specifications and requirements contemplated with regard to that purchase or contract.

"(b) Under such regulations as the board of the corporation may adopt with the approval of the Comptroller General, the corporation may make negotiated purchases and contracts when it is determined by the president of the corporation, or by not more than one vice president designated by him for that purpose, as to any particular purchase or contract that—

"(1) the aggregate cost of the purchase or contract to the corporation will not exceed $10,000;

"(2) advertisement for bids would imperil the military security of the United States, as determined by the Secretary of Defense;

"(3) an emergency requirement of the corporation exists which will not admit of the delay incident to advertisement for bids;

"(4) the contract is to be made exclusively for the procurement of the personal or professional services of one or more individuals or service to be rendered by a university, college, or other educational institution;

"(5) the purchase or contract is to be made exclusively for the procurement of property or services of a technical or special character for which it is impracticable to secure competition; or

"(6) all bids received after advertisement are unreasonable or have not been independently arrived at in open competition.

"(c) Each determination made pursuant to any paragraph of subsection (b) shall be (1) made in writing, (2) accompanied by a full and complete statement of the facts and circumstances which justify negotiation in reliance upon that paragraph, and (3) available for inspection by any director of the corporation for not less than five years. Except as otherwise provided by regulations adopted by the Attorney General, a true and correct copy of each such determination made under paragraph (5) or (6) of subsection (b) shall be transmitted promptly to the Attorney General.

"(d) In all negotiated procurements of the corporation proposals shall be solicited from the maximum number of qualified sources consistent with the nature and requirements of the supplies or services to be procured, and written or oral discussions shall be conducted with all responsible offerors who submit proposals within a competitive range, price, and other factors considered.

"REQUIREMENTS OF NEGOTIATED CONTRACTS

"SEC. 307. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 306 may be of any type which in the opinion of the corporation will promote the best interests of the corporation. Every contract negotiated pursuant to section 306 shall contain a suitable warranty by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agrement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the corporation shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

"(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the president of the corporation at the time of entering into such contract (except that a fee not in excess of 15 per centum of such estimated cost is authorized in any such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 per centum of the estimated cost, exclusive of fees, as determined by the president of the corporation at the time of entering into the contract, of the project to which such fee applicable is authorized in contracts for architectural or engineering services). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the president of the corporation determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure property or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the corporation of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either $25,000 or 5 per centum of the total estimated cost of the prime contract; and the corporation, through any authorized representative thereof, shall have the right to inspect the plans and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

"(c) All contracts negotiated without advertising pursuant to authority contained in this Act shall include a clause to the effect

that the Comptroller General of the United States or any of his duly authorized representatives shall until the expiration of three years after final payment have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in such contracts or subcontracts.

"(d) No contract negotiated by the corporation shall contain any profit formula that would allow the contractor increased fees or profits for cost reductions or target cost underruns, unless the contractor has certified that the cost data submitted by the contractor in negotiations for the determination of the target cost or price was current, accurate, and complete. Each such contract shall contain provisions effective to insure that the target cost or price shall be adjusted to exclude any sums by which it may be found after audit by the corporation or by the Comptroller General that the target cost or price was increased as a result of any inaccurate, incomplete, or noncurrent data."

On page 32, line 20, immediately following the period, insert the following: "Compensation of the president and of all other officers of the corporation shall be fixed at levels which shall have been determined by the Commission to be reasonable.".

On the page 32, line 24, immediately following the period, insert the following:

"No individual at any time may serve as an officer, agent, or attorney of the corporation if he is affiliated with any other communications common carrier. For the purposes of this subsection, an individual shall be deemed to be affiliated with another such common carrier if he is an officer or director, or holds legal title to or any beneficial interest in more than 100 shares of the stock of any class, of such other common carrier or of any corporation which is a parent or subsidiary corporation of such other common carrier. As used in this subsection—

"(1) the term 'parent corporation' means a corporation which has control over another corporation;

"(2) the term 'subsidiary corporation' means a corporation which is subject to control by another corporation; and

"(3) the term 'control', when used with respect to any corporation means (A) the beneficial ownership of more than 25 per centum of the share capital of any class of that corporation, or (B) the exercise in fact of control over the policies or activities of that corporation by contract or otherwise."

On page 23, line 23, strike out the words "sections 303 and 304", and insert in lieu thereof the words "sections 303, 304, and 404".

On page 39, between lines 13 and 14, insert the following new section:

"ANTITRUST LAW COMPLIANCE

"SEC. 404. (a) Whenever the corporation contemplates entering into any contract with any other communications common carrier, it shall before entering into that proposed contract transmit promptly to the Attorney General a true and correct copy thereof, a full and complete written statement concerning the purpose and effect thereof, and such other information as the Attorney General may consider necessary for determination whether that contract, if entered into, would tend to create or maintain any situation inconsistent with the antitrust laws.

"(b) Within a reasonable time thereafter, the Attorney General shall transmit to the corporation his written opinion on the question whether that contract, if entered into, would have any such effect. A copy of each opinion so transmitted to the corporation shall be transmitted to the Commission."

On page 39, line 15, strike out the section number "SEC. 404.", and insert in lieu thereof the section number "SEC. 405.".

Beginning with the words "Six members" in line 3, page 32, strike out all to and including the word "corporation" in line 6, page 32, and insert in lieu thereof the words "other members of the board shall be elected annually by the stockholders. Not more than an aggregate of six members of the board may be elected by those stockholders who are communications common carriers or persons affiliated with any communications common carrier".

On page 32, line 16, immediately following the period, insert the following: "For the purposes of this subsection—

"(1) the term 'persons affiliated with any communications common carrier' includes (A) any corporation which is a parent or subsidiary corporation of any such common carrier, and (B) any individual who is an officer or a director, or who holds legal title or any beneficial interest in more than 200 shares of the stock of any class, of any corporation which is a parent or subsidiary corporation of any such common carrier;

"(2) the term 'parent corporation' means a corporation which has control over another corporation;

"(3) the term 'subsidiary corporation' means a corporation which is subject to control by another corporation; and

"(4) the term 'control', when used with respect to any corporation, means (A) the beneficial ownership of more than 25 per centum of the share capital of any class of that corporation, or (B) the exercise in fact of control over the policies or activities of that corporation by contract or otherwise."

On page 27, line 2, immediately after the word "Commission", insert the words "to the extent deemed appropriate by the Administration in the public interest".

On page 27, line 6, immediately after the word "system", insert the words "to the extent deemed appropriate by the Administration in the public interest".

On page 30, between lines 18 and 19, insert the following new subsection:

"(d) The National Aeronautics and Space Administration shall furnish aid, assistance, service, and facilities to or for the corporation in compliance with subsection (b) under such terms and conditions as it shall prescribe with the approval of the President. The Administration shall have no obligation under subsection (b) to furnish aid, assistance, service, or facilities to or for the corporation during any period in which the corporation is in default, in whole or in part, upon its obligation to reimburse the Administration for aid, assistance, service, or facilities previously furnished by the Administration to or for the corporation, or during any period in which the corporation fails to comply with terms and conditions established pursuant to this subsection."

On page 23, line 23, strike out the words "sections 303 and 304", and insert in lieu thereof the words "sections 303, 304, and 401."

On page 24, line 12, strike out the word "and" where it appears immediately following the semicolon.

On page 24, line 14, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 24, between lines 14 and 15, insert the following new paragraph:

"(11) the term 'communications satellite service' means the rendition or furnishing in any manner, by the corporation or by any other communications common carrier, of any service or facility required for, or directly or indirectly incident to, any telecommunication made or to be made in whole or in part through the use of a communications satellite system, any satellite terminal station, or any associated equipment, and facilities."

On page 37, line 16, immediately following the section designation "SEC. 401.", insert the subsection designation "(a)".

On page 37, lines 20 through 22, strike out the words "provision of satellite termination station facilities by one communication common carrier to one or more other communications common carriers", and insert in lieu thereof the words "rendition or furnishing of any communications satellite service".

On page 38, between lines 2 and 3, insert the following new subsection:

"(b) Within five years after the date on which a communications satellite system is placed in operation, and at least once during each period of five calendar years thereafter, the Commission upon its own initiative shall enter upon a hearing to determine whether each rate, charge, practice, or regulation made or used by each communications common carrier for or in connection with the rendition or furnishing of communications satellite service is just, reasonable, and not unreasonably discriminatory."

On page 24, line 12, strike out the word "and".

On page 24, line 14, strike out the period, and insert in lieu thereof a semicolon and the word "and".

On page 24, between lines 14 and 15, insert the following paragraph:

"(11) the term "reimbursable basis", when used in relation to any service rendered by any department or agency of the United States for or on behalf of the corporation or any other communications common carrier, means the reimbursement of that department or agency by the corporation or such other common carrier for all costs incurred directly or indirectly by that department or agency incident to the rendition of service, as such costs are determined pursuant to regulations promulgated by that department or agency with the approval of the Comptroller General."

On page 30, line 25, immediately after the words "shall be", insert the following: "organized under the District of Columbia Business Corporation Act. It shall be".

On page 31, line 2, immediately after the period, insert the following: "The principal offices of the corporation shall be in the District of Columbia, but it may establish offices, agencies, and facilities at such other places as the board of directors may determine to be required to fulfill the objects of the corporation as prescribed by this Act."

On page 38, line 2, immediately after the period, insert the following: "The corporation shall conduct its activities (1) in compliance with the provisions of this Act and all rules and regulations promulgated thereunder by any department or agency of the United States, and (2) subject to all pertinent provisions of any treaty or agreement by the United States with any foreign government so long as those provisions remain in force."

On page 38, line 2, immediately after the period, insert the following: "The corporation shall transmit to the President, the National Aeronautics and Space Council, and the National Aeronautics and Space Administration such information concerning the status and activities of the corporation as the President may determine from time to time to be required for the administration of the provisions for subsections (a) and (b) of section 201 of this Act."

On page 33, line 7, strike out "$100", and insert in lieu thereof "$50".

On page 34, line 12, immediately after the period, insert the following: "Voting stock of the corporation held by any communications common carrier shall not be eligible for inclusion in the rate base of that common carrier."

Beginning with word "Such" in line 20, page 34, strike out all to and including line 2, page 35, and insert in lieu thereof the following: "No communications common carrier shall be eligible to hold, directly or indirectly, legal title to or any beneficial interest in any such securities, bonds, debentures, or other certificates of indebtedness of the corporation. Under such terms

and conditions as the President may prescribe, the Secretary of the Treasury is authorized from time to time to acquire and hold in the name of the United States securities, bonds, debentures, or certificates of indebtedness of the corporation issued under this subsection in such amount as the President may approve. For that purpose, the Secretary is authorized to use a public-debt transaction the proceeds obtained from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the purchases of securities, bonds, debentures, or certificates of indebtedness authorized by this subsection. All purchases and redemptions of such securities, bonds, debentures, or certificates of indebtedness shall be treated as public-debt transactions of the United States. All income therefrom accruing to the United States shall be deposited in the Treasury as miscellaneous receipts."

On page 34, line 17, strike out the word "The", and insert in lieu thereof the words "With the approval of the Commission, the".

On page 31, line 17, immediately after the words "consisting of", insert the word "nine".

Beginning with the words "Six Members" on page 32, line 3, strike out all to and including the word "corporation" on page 32, line 6, and insert now in lieu thereof the following; "Other members of the board shall be elected annually by the stockholders who hold voting stock. Not more than three members of the board may be elected by stockholders who are common carriers or individuals affiliated with any communications common carrier."

On page 32, line 11, strike out the word "three", and insert in lieu thereof the word "one".

On page 33, line 24, strike out the word "Fifty", and insert in lieu thereof the words "Thirty-three and one-third".

On page 34, line 11, strike out the figures "50", and insert in lieu thereof the figures "33⅓".

On page 35, line 3, strike out the words "20 per centum", and insert in lieu thereof the words "10 per centum".

On page 35, lines 5 and 6, strike out the words "which are held by holders other than authorized carriers".

On page 32 (at the end thereof), after line 24, insert the following new subsection:

"(c) The corporation, its officers and its directors as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office."

On page 23, line 23, strike out the words "sections 303 and 304", and insert in lieu thereof the words "sections 303, 304, and 404".

On page 39, between lines 13 and 14, insert the following new section:

"CONTROL IN TIME OF WAR

"SEC. 404. In time of war or national emergency declared by the President or by the Congress, the President, through the Secretary of Defense, may take possession and assume control of all or any part of any communications satellite system of the corporation, or any satellite terminal station or associated equipment and facilities of the corporation or any other communications common carrier, for the use of any of the armed forces of the United States. So far as is necessary, he may use any such system, station, equipment, or facility to the exclusion of other traffic."

On page 39, line 15, strike out the section number "SEC. 404", and insert in lieu thereof the section number "SEC. 405".

On page 38, line 20, immediately after the word "Act", insert the words "or any rule or regulation promulgated by the Commission under this Act."

On page 39, between lines 5 and 6, insert the following:

"(b) Whoever, being an officer, director, employee, agent, or representative of the corporation or any other communications common carrier, with intent to defraud the corporation or the United States Government or any department or agency thereof, (1) knowingly omits to make or makes any false or misleading entry in any book or record of the corporation or of such other carrier, or (2) knowingly makes any false or misleading report or statement with respect to the conduct of the business of the corporation or such other carrier, shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(c) Whoever, being an officer, director, employee, agent, or representative of the corporation or any other communications common carrier, with intent to defraud the corporation or the United States Government or any department or agency thereof, in connection with the performance of any duty arising from his occupancy of any such status knowingly solicits or receives directly or indirectly from any source any compensation, rebate, or other valuable consideration to which he is not lawfully entitled, shall be fined not more than $10,000, or imprisoned not more than ten years, or both."

On page 39, line 6, strike out the subsection designation "(b)", and insert in lieu thereof the subsection designation "(c)".

On page 39, line 10, strike out the subsection designation "(c)", and insert in lieu thereof the subsection designation "(d)".

On page 22, line 2, immediately after the period, insert the following: "The Congress reserves to the United States the right to plan, initiate, construct, own, manage, and operate, as a part of the communications satellite system, such satellite terminal stations and associated equipment and facilities as may be required from time to time to serve the communications needs of the United States Government and its departments, agencies, and instrumentalities."

Beginning with line 9, page 29, strike out all to and including line 19, page 29, and insert in lieu thereof the following:

"(7) grant such authorizations for the construction and operation of satellite terminal stations by the corporation, and by such departments and agencies of the United States as may be authorized to construct and operate such stations, as will best serve the public interest, convenience, and necessity. In granting such authorizations preference shall be given to stations of departments and agencies of the United States;".

On page 23, lines 19 to 22, strike out the words "has the same meaning as the term 'common carrier' has when used in the Communications Act of 1934, as amended", and insert in lieu thereof the words "means any person engaged, as a common carrier for hire, in intrastate, interstate, or foreign communication by wire or radio, or in intrastate, interstate, or foreign radio transmission of energy (except that a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier)".

On page 24, line 7, immediately after the words "as amended,", insert the words "or pursuant to the provisions of this Act".

On page 37, between lines 13 and 14, insert the following new subsection:

"(d) Except as otherwise specifically provided by this Act, no person other than the corporation may own or operate any satellite terminal station within the United States or any of its territories and possessions as a part of the communications satellite system."

Beginning with line 9, page 29, strike out all to and including line 19, page 29, and insert in lieu thereof the following:

"(7) grant such authorizations for the construction and operation by the corporation of satellite terminal stations as will best serve the public interest, convenience, and necessity;".

Mr. LONG of Louisiana. Mr. President, I have 11 amendments which are merely technical, which were proposed by various members of the Committee on Foreign Relations while the bill was before that committee, which Senators would like to propose. I believe, in order to propose these amendments, I shall have to offer them for myself, on behalf of myself and the other Senators who offered them. I should like to have it understood that I do not necessarily associate myself with the amendments, but I only wish to make them eligible to be voted upon.

I send to the desk a number of amendments—11 in number—and ask that the clerk read the amendments. I ask unanimous consent that the reading of the 11 amendments may be dispensed with.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana? Without objection, the amendments will be received and printed; and, without objection, the reading of the amendments will be dispensed with.

The amendments are as follows:

On page 25, line 20, section 201(a)(5) is amended by adding after the semicolon the following: "and for the determination of the most constructive role for the United Nations;".

On page 25, line 13, strike out "or with" and insert in lieu thereof the following: "and with the United Nations and other".

On page 38, strike out lines 3 through 14 and insert in lieu thereof the following:

"CONDUCT OF FOREIGN NEGOTIATIONS

"SEC. 402. The corporation shall not enter into negotiations with any international agency, foreign government, or entity, without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements with any such agency, government, or entity shall be subject to the approval of the Department of State."

On page 37, between lines 13 and 14, insert the following new subsection:

"(d)(1) In furnishing telecommunication service through the communications satellite system, the corporation shall give priority of transmission to communications of the United States Government for which priority is requested by the President of the United States not less than one and one-half hours of the daily transmittal time of the satellite communication system. The corporation shall have no power to alter, amend, or edit the form or content of any such communication.

"(2) Such transmissions and communications shall, at the request of the President, be carried by the corporation at a price not to exceed the cost of such service, as computed by the Federal Communications Commission."

On page 37, between lines 13 and 14, insert the following new subsection:

"(d) In consideration for the authority conferred upon the corporation by this Act, the corporation, under such regulations as the President shall prescribe, shall provide telecommunication services without charge for communications of a public service nature, not exceeding one hour of the daily transmittal time of the satellite communication system as such communications shall be defined by such regulations."

On page 40, after line 14, insert the following new section:

"CREATION OF EDUCATIONAL RESERVE FUND

"SEC. 405. (a) There is hereby created on the books of the Treasury of the United

States a fund to be known as the 'Educational Reserve Fund'. The Educational Reserve Fund shall consist of revenue received through payment as described by subsection (b).

"(b) In consideration of the privileges granted by this Act, any corporation engaged within the United States or any territory or possession thereof in furnishing for hire channels of communication through the use of communications satellites, shall annually set aside for the Educational Reserve Fund, an amount equal to 10 per centum of the net proceeds of such corporation, as defined by the Federal Communications Commission. Such revenue shall be paid into the Fund in conformity with such regulations as the Secretary of the Treasury shall prescribe.

"(c) Such fund shall be available for the support of any statutory program for Federal aid to public educational institutions and programs hereafter enacted by the Congress, including, but not limited to, primary, secondary, higher, and graduate levels and programs such as educational television, international education and exchange scholarship."

On page 28, line 14, strike out "Institute forthwith appropriate proceedings under section 214(d) of the Communications Act of 1934, as amended, to".

On page 30, line 11, strike out ", in accordance with the procedural requirements of section 214 of the Communications Act of 1934, as amended,".

(NOTE.—The effect of this amendment would be to direct the corporation to comply with decision of the Secretary of State referred to in section 201(c)(3) that such action should be taken in the national interest.)

Page 34, line 12, section 304(b)(2) is amended by adding, at the end of the section, the following: ", and no such communications common carrier shall at any time own more than 10 per centum of such shares issued and outstanding."

Page 34, line 12, section 304(b)(2) is amended by adding, at the end of the section, the following: ", and no such communications common carrier shall at any time own more than 10 per centum of such shares issued and outstanding."

Page 36, line 3, section 304 is further amended by adding, at this point, a new section (g), as follows:

"(g) The limitations applicable to voting stock in the above sections shall also be applicable to all other securities of the corporation."

Strike out all after the enacting clause and in lieu thereof insert the following: "That this Act may be cited as the 'Communications Satellite Authority Act'.

"DECLARATION OF POLICY AND PURPOSE

"SEC. 2. The Congress hereby declares that in order to promote international cooperation and to foster international understanding and peace, it is the policy of the United States to expand and improve international communications by providing leadership in the establishment of a global communication system at the earliest practicable time, making full use of the contributions which can be made by the Government and by private enterprise, and to insure that the benefits of such a system are secured for the betterment of all mankind and all states irrespective of their economic and scientific development. In order to achieve these goals, the Congress hereby provides for ownership and operation of the United States portion of the communications satellite system and invites all nations to participate in the system.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(1) The terms 'private communications carrier', 'common carrier', and 'carrier' mean any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, including persons engaged in radio and television broadcasting.

"(2) The terms 'communications satellite system', 'satellite system', and 'system' include satellites, ground stations, associated ground control and tracking facilities, and other related facilities comprising a system for global communication by satellite, except that any reference to foreign ownership of a 'communications satellite system', 'satellite system', or 'system' refers only to the satellite portion of the system.

"COMMUNICATIONS SATELLITE AUTHORITY ESTABLISHED

"SEC. 4. (a) There is hereby created a corporation, to be known as the Communications Satellite Authority (hereinafter referred to as the 'corporation'), whose purpose and object shall be to develop, construct, launch, operate, manage and promote the use of a communications satellite system, and to foster research and development in the use of space.

"(b) In order to assure a structure of organization and control which will assure maximum possible competition and development of an economical system, the benefits of which will be reflected in communications rates, the corporation shall, as an agent of the United States, acquire, own and operate the United States portion of the communications satellite system, provided however, that where appropriate in the national interest, the corporation may contract with any other person for the operation of some or all of the communications satellite system. The corporation may not enter into such a contract where the effect thereof may be to substantially lessen competition in any line of commerce in any section of the country, or tend to monopoly.

"(c) The corporation shall lease communication channels on a nondiscriminatory and equitable basis to all persons authorized by the Federal Communications Commission to transmit communications via satellites, and shall provide facilities for governmental needs, as a part of the commercial system or separately when required to meet unique Government needs which cannot in the national interest be met by the commercial system.

"(d) The corporation, under the foreign policy guidance of the President, and pursuant to agreements made by the President with the advice and consent of the Senate, shall provide opportunities for foreign participation in the use of communications satellites, through ownership or otherwise upon an equitable and nondiscriminatory basis.

"(e) The corporation, under the foreign policy guidance of the President, and pursuant to agreements made by the President with the advice and consent of the Senate, shall provide technical assistance to the less developed states in the development of their communication facilities so that they may make effective use of communications satellites and become an effective part of a global communication system.

"BOARD OF DIRECTORS OF THE CORPORATION

"SEC. 5. (a) The board of directors of the corporation (hereinafter referred to as the 'board') shall be composed of nine members.

"(b) Four directors shall be designated by the President, and shall include an Assistant Secretary of State, the Administrator of the National Aeronautics and Space Administration, the Chairman of the Federal Communications Commission, and an additional member designated from officers of other departments and agencies of the United States. Directors so designated shall be known as 'governmental directors'.

"(c) Five directors shall also be appointed by the President, by and with the advice and consent of the Senate, solely on the basis of established records of distinguished achievement, from citizens of the United States in private life who are eminent in science, engineering, technology, education, administration, or public affairs. One of these five may be a representative of the communications industry. Directors so appointed shall be known as 'private directors'. The President shall appoint a chairman of the board from the private directors of the board. The chairman shall serve for a term of two years and may be reappointed for one or more additional terms as chairman.

"(d) The private directors first designated or appointed under this Act shall be designated or appointed for terms expiring two, four, six, seven and eight years after the effective date of this Act, respectively. Each private member of the board thereafter designated or appointed (other than a member designated or appointed for the unexpired portion of the term of an individual who is one of the initial members of the board) shall have a term of office expiring eight years from the date of the expiration of the term for which his predecessor was appointed.

"(e) Any private member appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(f) Each governmental director of the board may designate another officer of his department or agency to serve on the board as his alternate in his unavoidable absence. Each alternate member so designated shall be designated to serve as such by and with the advice and consent of the Senate, unless at the time of his designation he holds an office under the United States Government to which he was appointed by and with the advice and consent of the Senate.

"(g) Vacancies in the board shall not impair the powers of the board to execute its functions. Five members shall constitute a quorum for the transaction of the business of the board.

"(h) Each private director shall receive compensation at the rate of $22,500 per annum, which compensation shall be paid by the corporation from funds of the corporation. Each governmental director while serving as such shall receive the compensation provided by law for the office held by him in the department or agency of the United States from which he was selected. If the compensation so received by any governmental director does not equal the compensation received by private directors, that governmental director shall be paid from funds of the corporation an additional amount which, when combined with the compensation so received, will equal the compensation received by private directors. Nothing contained in this section shall be construed to reduce the compensation provided by law for any governmental director in his capacity as an officer of a department or agency of the United States.

"(i) Members of the board while engaged in the performance of duties of the board shall receive from funds of the corporation necessary travel expenses and a per diem allowance in lieu of subsistence computed in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2).

"(j) Members of the board who are private directors shall during their continuance in office devote their full time to the work of the corporation.

"(k) No director other than the communications industry representative provided for in section 5(c) of this Act, may have any financial interest in any communication carrier corporation engaged in the business of 'wire communications' or 'radio communications' as defined in the Communications Act of 1934, as amended.

"(l) A director may be removed from the board by the President upon a determination by the President, after notice and an

opportunity for hearing, that such director has been guilty of malfeasance or nonfeasance in the performance of his duties as a director.

"(m) Each member of the board, before entering upon the duties of his office, shall subscribe to an oath or affirmation to support the Constitution of the United States and to faithfully and impartially perform the duties imposed upon him by this Act.

"DUTIES OF THE BOARD

"SEC. 6. (a) The board shall—

"(1) formulate all policies and programs for the development, construction, launching, operation, management, and promotion of the United States portion of the satellite communication system;

"(2) foster research and development in the field of space telecommunications; and

"(3) formulate policies and programs which will assist newly developing countries, and provide an effective global system as soon as practicable.

"(b) The board shall—

"(1) meet upon the call of the chairman, but not less than once in each month; and

"(2) direct the exercise of all the powers of the corporation.

"EXECUTIVE SECRETARY

"SEC. 7. (a) The board, without regard to the civil service laws, shall appoint an executive secretary from civilian life, who shall receive compensation at the rate of $25,000 per annum. Under the supervision and direction of the board, the executive secretary shall be responsible for the execution of all programs and policies formulated by the board, and shall have administrative control over all personnel and activities of the corporation unless otherwise specified in this Act.

"(b) The board, without regard to the civil service laws, shall appoint such other officers, employees, attorneys, and agents of the corporation as may be necessary for the performance of its duties; shall fix their compensation and define their duties; shall require bonds of such of them as the board may designate; and shall prescribe rules and regulations to fix responsibility and to promote efficiency in the operations of the corporation.

"(c) The board, without regard to the civil service laws, shall appoint a treasurer and such assistant treasurers as it may deem necessary, each of whom shall give such bonds for the safekeeping of the securities and moneys of the corporation as the board may require.

"(d) Any appointee of the board may be removed in the discretion of the board. No officer or employee of the corporation shall receive compensation at any rate in excess of that of members of the board.

"(e) In the appointment of officials and the selection of employees for said corporation, and in the promotion of any such employee or official, no political test or qualification shall be permitted or given consideration. All such appointments and promotions shall be based exclusively upon merit and efficiency. Any member of the board who is determined by the President, after notice and opportunity for hearing, to be guilty of a violation of this subsection shall be removed from office. Any appointee of the board who is determined by the board after notice and opportunity for hearing, to be guilty of a violation of this subsection shall be removed by the board from his office or employment in the corporation.

"COOPERATION OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

"SEC. 8. (a) The corporation is hereby authorized—

"(1) to cooperate with the National Aeronautics and Space Administration for the purpose of obtaining launch vehicles for the satellite system which will facilitate an economical and efficient development of an operational system, launching the satellites and associated services, and consulting with the National Aeronautics and Space Administration on the technical specifications for satellites and ground stations and the location of such stations; and

"(2) to consult with the National Aeronautics and Space Administration for the purpose of coordinating all research and development programs carried out by the Corporation with research and development programs carried out by private aerospace corporations, private communications carriers, other corporations, and governmental departments and agencies under the supervision of the National Aeronautics and Space Administration in order to guarantee rapid and continuous scientific technological progress in a global communication system.

"(b) The National Aeronautics and Space Administration is authorized and directed to furnish to the corporation such facilities, services, supplies, and information as the corporation may require for the performance of its duties. Any expenses so incurred by the National Aeronautics and Space Administration on behalf of the corporation shall be reimbursed by the corporation from its funds. Any sums so received by the Administration shall be credited to the current appropriations of the Administration, and shall be available to the Administration for obligation and expenditure within the fiscal year in which such sums are received.

"COOPERATION OF FEDERAL COMMUNICATIONS COMMISSION

"SEC. 9. (a) The Federal Communications Commission is authorized and directed to—

"(1) render to the corporation such assistance as may be required to insure that the communications satellite system established by the corporation will be technically compatible with and operationally interconnected with existing terrestrial communication facilities; and

"(2) establish such rules and regulations as may be required to regulate all oversea communication rates established by private communication carriers for the use of facilities of the communications satellite system, and to insure that all such rates are reasonable and related to the cost of leasing channels from the corporation.

"(b) Under such rules and regulations as it shall prescribe, the Federal Communications Commission shall determine the eligibility of United States communications carriers to use the communications channels provided by the corporation, and shall insure equitable and nondiscriminatory access to the system by present and future authorized private communications carriers.

"ASSISTANCE FROM OTHER GOVERNMENT AGENCIES

"SEC. 10. (a) The board is hereby authorized to obtain from any department, agency, or instrumentality of the United States with the consent of the head thereof, such facilities, services, supplies, advice, and information as the corporation may determine to be required to enable it to carry out its duties. So far as practicable, the corporation shall utilize the facilities and services of such departments, agencies, and instrumentalities.

"(b) Under the direction of the President, each such department, agency, and instrumentality shall furnish to the corporation, upon a reimbursable basis, such facilities, services, supplies, advice, and information as the corporation may require for the performance of its obligations.

"(c) Any invention or discovery made by any officer or employee of the corporation in consequence of the performance of his duties, or by any officer or employee of the Government of the United States in the rendition of service for the corporation, and title to any patent which may be granted thereon, shall be the sole and exclusive property of the corporation. The corporation is authorized to grant under any such patent such licenses as may be authorized by the board. The board may authorize the payment to any such inventor such sums from the income received by the corporation from the sale of licenses under the patent granted for his invention as it deems proper.

"ASSISTANCE FROM PRIVATE INDUSTRY AND INDIVIDUALS

"SEC. 11. (a) There shall be a Space Communication Advisory Committee to advise the corporation on scientific and technical matters relating to materials, production, and research and development required for the establishment and operation of the communications satellite system. The Committee shall be composed of nine members, who shall be appointed from civilian life by the President from individuals specially qualified by training and experience to render such advice. They may be persons associated with the communications and aerospace industries.

"(b) Each member of the Committee shall hold office for a term of six years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (2) the terms of office of the members first taking office after September 1, 1962, shall expire, as designated by the President at the time of appointment, three at the end of two years, three at the end of four years, and three at the end of six years, after September 1, 1962.

"(c) The Committee shall designate one of its own members as Chairman. The Committee shall meet at least four times in every calendar year.

"(d) Members of the Committee shall receive a per diem compensation not exceeding $100 for each day spent in meetings or conferences, and shall be reimbursed for necessary traveling and other expenses incurred while engaged in the work of the Committee.

"GENERAL POWERS OF THE CORPORATION

"SEC. 12. (a) Except as otherwise specifically provided in this Act, the corporation shall have succession in its corporate name, and shall have power to—

"(1) sue and be sued in its corporate name;

"(2) adopt and use a corporate seal, which shall be judicially noticed;

"(3) adopt, amend, and repeal bylaws:

"(4) make, perform, and enforce contracts as authorized by this Act;

"(5) purchase or lease and hold such real and personal property as it deems necessary or convenient for the performance of its obligations, and to dispose of any personal property held by it;

"(6) acquire real estate for the construction and operation of ground stations and tracking facilities;

"(7) acquire real property by condemnation, in the name of the United States of America, the title to real property so acquired to be taken in the name of the United States of America for the use of the corporation as the agent of the United States to carry into effect the purposes of this Act;

"(8) convey to any person or corporation, by deed, lease, or otherwise, any interest in real property possessed by the corporation when such property no longer is needed by the corporation for the purposes of this Act;

"(9) transfer to any other department agency, or instrumentality of the United States any part of any real property in the possession or under the control of the corporation when such property no longer is needed by the corporation for the purposes of this Act;

"(10) enter into, perform, and enforce contracts and agreements of every kind and description with any person, firm, associa-

tion, corporation, municipality, county, State, body politic, or government or colony or dependency thereof in order to develop, construct, launch, operate, manage, and promote the United States portion of the communications satellite systems;

"(11) make such expenditures, and enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it may deem necessary, including the compromise or final settlement of all claims and legal actions by or against the corporation; and, notwithstanding the provisions of any other law governing the expenditure of public funds, the General Accounting Office, in the settlement of the accounts of the Treasury or other accountable officer or employee of the corporation, shall not disallow credit for, nor withhold funds, because of any expenditure which the board shall determine to have been necessary to carry out the provisions of said Act; and

"(12) determine upon and establish, except as otherwise provided by this Act, a system of administrative accounts, and the form and content of contracts and other business documents of the corporation.

"(b) The corporation shall have such other powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the corporation.

"PROCUREMENT OF SUPPLIES AND SERVICES

"SEC. 13. (a) Except as otherwise provided by this section, all purchases and contracts for supplies or services, except for personal services, made by the corporation, shall be made after advertising in such manner and at such times sufficiently in advance of opening bids, as the board shall determine to be adequate to insure public notice and opportunity for competition.

"(b) Advertisement under subsection (a) shall not be required when it is determined under such regulations as the board shall prescribe that—

"(1) an emergency requires immediate delivery of the supplies or performance of the services;

"(2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or

"(3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed $500, in which case such purchases may be made in the open market.

"(c) In making purchases or contract awards, the board may consider such factors as relative quality and adaptability of supplies or services offered, the supplier's financial responsibility, skill, experience, record of integrity in dealing, and ability to furnish repairs and maintenance services; the time of delivery or performance offered; and compliance of the supplier with specifications prescribed by the corporation.

"FINANCIAL ACCOUNTABILITY OF THE CORPORATION

"SEC. 14. (a) The corporation shall maintain its principal office within, or in the immediate vicinity of, the District of Columbia. The corporation shall be an inhabitant and resident of the District of Columbia within the meaning of the laws of the United States relating to the venue of civil suits.

"(b) The board shall transmit to the President and to the Congress, in December of each year, a full and complete financial statement and report as to the activities and accomplishments of the corporation during the preceding fiscal year ending on June 30, including the total number of officers and employees of the corporation, and the names, salaries, and duties of those who receive compensation at the rate of $5,000 per annum or more.

"(c) The Comptroller General of the United States shall conduct an audit of the financial transactions of the corporation at such times as he shall determine, but not less frequently than once during each fiscal year. For that purpose, the Comptroller General or any representative duly designated by him shall have access to all records necessary to conduct any such audit. Copies of the report of each such audit shall be transmitted to the President of the United States, the Congress, and the chairman of the board of the corporation, and a copy thereof shall be retained for public inspection at the principal office of the corporation. No such report of audit shall be published until the corporation has had reasonable opportunity to examine any exceptions and criticisms made by the Comptroller General, to point out errors therein, to explain or answer such exceptions and criticisms and to file a statement which shall be published by the Comptroller General as a part of his report. The corporation shall reimburse the General Accounting Office for the cost of each such audit at such time and in such manner as the Comptroller General shall prescribe from time to time.

"(d) The corporation, its property, franchises, and income, are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision or district thereof.

"CAPITAL AND REVENUE OF THE CORPORATION

"SEC. 15. (a) It is hereby declared to be the policy of this Act to make the corporation self-supporting and self-liquidating, and communication channels shall be leased at rates which in the opinion of the board will produce gross revenues in excess of costs.

"(b) The corporation is authorized to issue and sell bonds, in an amount not exceeding $500,000,000 outstanding at any one time, to finance the communications satellite program and to refund such bonds. The corporation may, in performing functions authorized by this Act, use the proceeds of such bonds for capital expenditures necessary for the development, construction, launching, management, operation, and promotion of the communications satellite system prescribed by this Act, and for research and development activities incident thereto.

"(c) Principal and interest on bonds issued by the corporation shall be payable solely from the corporation's net communication proceeds. As used in this section, the term 'net communication proceeds' means that portion of the annual gross leasing revenues of the corporation which remains after deducting the aggregate annual cost of launching, operating, maintaining, and administering the satellite system (including the ground stations and the tracking facilities) but before deducting depreciation accruals or other charges representing the amortization of capital expenditures, plus the net proceeds of the sale or other disposition of any communications satellite facilities or any interest therein, and shall include reserve or other funds created from such sources.

"(d) Notwithstanding any provision of this Act or any other provision of law, the corporation may pledge and use its annual net communication proceeds for the annual payment of the principal of and interest on said bonds, for purchases or redemption thereof, and for other purposes incidental thereto, involving creation of reserve funds and other funds which may be similarly pledged and used, to such extent and in such manner as the board deems necessary or desirable. The issuance and sale of bonds by the corporation and the expenditure of bond proceeds for the purposes specified herein, including additional construction of launching vehicles, satellites, and additional construction of ground stations and tracking facilities, shall not be subject to the requirements or limitations of any other law.

"BONDS ISSUED BY THE CORPORATION

"SEC. 16. (a) It is hereby declared to be the intent of this section to aid the corporation in discharging its responsibility for the advancement of a global communications system using space satellites, and the physical, social, and economic development of the United States by providing it with adequate authority and administrative flexibility to obtain the necessary funds with which to assure an ample number of oversea communication channels for such purposes by issuance of bonds or as otherwise provided herein, and this Act shall be so construed as to effectuate such intent.

"(b) Except as otherwise specifically provided by this Act, bonds issued by the corporation under this Act shall be negotiable instruments unless otherwise specified therein, shall be issued in such forms and denominations, shall be sold at such times and in such amounts, shall mature at such time or times not more than fifty years from their respective dates of issuance, shall be sold at such prices, shall bear such rates of interest, may be redeemable before maturity at the option of the corporation in such manner and at such times, and redemption premiums may be entitled to such relative priorities of claim on the corporation's net proceeds with respect to principal and interest payments, and shall be subject to such other terms and conditions, as the board of directors may determine.

"(c) At least fifteen days before the offer by the corporation of any issue of bonds for sale (exclusive of any commitment for any period less than one year) the corporation shall notify the Secretary of the Treasury as to the proposed amount, date of sale, maturities, terms and conditions, and the expected rates of interest of the proposed issue in the fullest detail. If the Secretary so requests, the corporation shall consult with him or with his designee with respect thereto, but the sale and issuance of such bonds shall not be subject to approval by the Secretary of the Treasury except as to the time of issuance, and the maximum rates of interest to be borne by the bonds. If the Secretary of the Treasury does not concur in a proposed issue of bonds hereunder within seven business days following the date on which he is advised of the proposed sale, the corporation may issue to the Secretary and the Secretary shall purchase interim obligations in the amount of the proposed issue which the Secretary is directed to purchase.

"(d) In case the corporation determines that a proposed issue of bonds hereunder cannot be sold on reasonable terms, it may issue to the Secretary interim obligations which the Secretary is authorized to purchase.

"(e) Obligations issued by the corporation to the Secretary may not exceed $150-000,000 outstanding at any one time. Any obligations so issued to the Secretary shall mature on or before one year from date of issue, and shall bear interest equal to the average rate (rounded to the nearest one-eighth of a percent) on outstanding marketable obligations of the United States with maturities from dates of issue of one year or less as of the close of the month preceding the issuance of the obligations of the corporation.

"(f) If agreement is not reached within eight months concerning the issuances of any bonds which the Secretary has failed to approve, the corporation may nevertheless proceed to sell such bonds on any date thereafter without approval by the Secretary in amount sufficient to retire the interim obligations issued to the Treasurer and such interim obligations shall be retired from the proceeds of such bonds.

"(g) The corporation may sell its bonds by negotiation or on the basis of competitive bids, subject to the right, if reserved,

to reject all bids; may designate trustees, registrars, and paying agents in connection with said bonds and the issuance thereof; may arrange for audits of its accounts and for reports concerning its financial conditions and operations by certified public accounting firms; may, subject to any covenants contained in any bond contract, invest the proceeds of any bonds and other funds under its control which derive from or pertain to its communications satellite program in any securities approved for investment of national bank funds; may deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve bank or bank having membership in the Federal Reserve System; and may perform such other acts not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section. Bonds issued by the corporation hereunder shall contain a recital that they are issued pursuant to this subsection, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such bonds and of their validity. The annual report made by the board to the President and to the Congress shall contain a full and detailed statement of all action taken by the corporation under this section during the year.

"(h) The corporation is authorized to enter into binding covenants with the holders of bonds issued under this Act (and with the trustees thereof, if any) under any indenture, resolution, or other agreement entered into in connection with the issuance thereof with respect to the establishment of reserve funds and other funds, adequacy of charges for supplying communication channels, application and use of net communication proceeds, stipulations concerning the subsequent issuance of bonds or such other matters not inconsistent with the Act, as the corporation may deem necessary or desirable to enhance the marketability of said bonds.

"(i) Bonds issued by the corporation hereunder shall be investments which may be accepted as security for all fiduciary trust, and public funds, the investment or deposit of which shall be under the authority or control of any office or agency of the United States. The Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the bonds of the corporation acquired by them under this section. Bonds issued by the corporation hereunder shall be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes.

"APPROPRIATED FUNDS

"SEC. 17. (a) There are hereby authorized to be appropriated to the Secretary of the Treasury for disbursement to the corporation such sums as may be required for the performance of the functions of the corporation under this Act. Appropriated funds so disbursed to the corporation shall be repaid to the Treasury in conformity with the provisions of this section. Unrepaid disbursements of appropriated funds under this section may not at any time exceed $50,000,000 in the aggregate.

"(b) From net communications proceeds in excess of those required to meet the corporation's obligations under the provisions of any bond or bond contract, the corporation shall, beginning with the first fiscal year beginning after the effective date of this Act, make the following payments to the Secretary for deposit in the Treasury as miscellaneous receipts on or before December 31 and June 30 of each fiscal year—

"(1) a sum, computed as provided in subsection (c), as a return on the appropriation investment, if any, in the corporation's communications satellite facilities, as determined by the Director of the Bureau of the Budget; and

"(2) a sum in repayment of appropriation investment in the corporation in such amount as the Secretary of the Treasury shall determine to be available for that purpose without impairing the operations of the corporation.

Such payments shall continue to be made until the total appropriation investment in the corporation shall have been repaid.

"(c) The appropriation investment referred to in subsection (b) shall consist, in any fiscal year, of that part of the corporation's total investment assigned to communications satellite facilities as of the beginning of the fiscal year (including both completed facilities and facilities under construction) which has been provided from appropriations, or by transfers of property from other Government agencies without reimbursement by the corporation, less repayments of such appropriation investment made under this Act, or other applicable legislation. The payment as a return on the appropriation investment in each fiscal year shall be equal to the computed average interest rate payable by the Treasury upon its total marketable public obligations as of the beginning of said fiscal year applied to said appropriation investment.

"(d) Payments due to be made under this section may be deferred for not more than two years when in the judgment of the board of directors of the corporation such payment cannot feasibly be made because of inadequacy of funds, due to poor business conditions, emergencies, or other factors beyond the control of the corporation.

"REVENUE AND APPLICATION THEREOF

"SEC. 18. (a) The corporation shall charge rates for the use of communication channels which will produce gross revenues sufficient to provide funds for the operation, maintenance, and administration of its communications satellite system; provide for the servicing of outstanding bonds, including provision for and maintenance of reserve funds and other funds established in connection therewith; payments to the Treasury as a return on the investment of appropriated funds, if any; and for such additional margin as the board may consider desirable for purposes connected with the corporation's communications satellite system. Such overseas communication rates shall be fixed at levels which are as low as practicable.

"(b) The corporation shall, during each five-year period beginning with the first fiscal year beginning after the effective date of this Act, apply revenues in reduction (directly or through payments into reserve on sinking funds) of its capital obligations, including bonds and appropriation investments, or to reinvestments in the communications satellite system, at least to the extent of the combined amount of the aggregate of the depreciation accruals and other charges representing the amortization of capital expenditures applicable to its communications satellite system.

"ACCESS TO PATENTS AND TECHNICAL INFORMATION

"SEC. 19. (a) The corporation, as an instrumentality and agency of the Government of the United States for the purpose of executing its functions under this Act, shall have access at all times to information available in the Patent Office of the United States for the purpose of studying, ascertaining, and copying, all methods, formulae, and scientific information (not including access to pending applications for patents) necessary to enable the corporation to use and employ the most efficacious and economical process for the development of a communications satellite system, or any method for improving and cheapening overseas communication rates through the use of a communications satellite system, and any owner of a patent whose patent rights may have been thus in any way copied, used, infringed, or employed by the exercise of this authority by the corporation shall have as the exclusive remedy a cause of action against the corporation for the recovery of reasonable compensation for such infringement. The district courts of the United States shall have jurisdiction to hear and determine such actions. This subsection shall not apply to any art, machine, method of manufacture, or composition of matter, discovered or invented by any officer or employee of the Government of the United States or of the corporation if such invention or discovery was made in the performance of obligations to the Government of the United States or to the corporation.

"(b) The Commissioner of Patents shall furnish to the corporation, at its request and without payment of fees, copies of documents on file in his office.

"PROPERTY RIGHTS IN INVENTIONS

"SEC. 20. (a) Whenever any invention is made in the performance of any work performed under any contract entered into by or on behalf of the corporation, such invention shall be the exclusive property of the United States, and if such invention is patentable, a patent therefor shall be issued to the corporation as agent of the United States notwithstanding any other provision of law upon application made by the Executive Secretary, unless the Executive Secretary, acting in conformity with policies and procedures adopted by the board, waives all or any part of the rights of the United States to such invention in compliance with the provisions of subsection (c) of this section. No patent may be issued to any applicant other than the corporation for any invention which appears to the Commissioner of Patents to have significant utility in the development or operation of a communications satellite system unless—

"(1) the applicant files with the Commissioner, with the application or within thirty days after request therefor by the Commissioner, a written statement executed under oath setting forth the full facts concerning the circumstances under which such invention was made and stating the relationship (if any) of such invention to the performance of any work under any contract of the corporation; and

"(2) the Executive Secretary transmits to the Commissioner a written certification to the effect that such invention is not subject to the provisions of this section.

Copies of each such statement and the application to which it relates shall be transmitted forthwith by the Commissioner to the Executive Secretary.

"(b) Each contract entered into by the corporation with any party for the performance of any scientific, technological, or developmental activity shall contain effective provisions under which such party shall furnish promptly to the Executive Secretary a written report containing full and complete technical information concerning any invention, discovery, improvement, or innovation which may be made in the performance of such activity.

"(c) Under such regulations as the board shall adopt in compliance with the provisions of this section the Executive Secretary may waive all or any part of the proprietary rights of the United States under this section with respect to any invention or class of inventions made or which may be made by any person or class of persons in the performance of any activity required by any contract of the corporation if the Executive Secretary determines that the public interest will be served thereby. Any such waiver may be made upon such terms and under such conditions as the Executive Secretary shall de-

termine to be required for the protection of the public interest. Each such waiver made with respect to any invention shall include provisions effective to reserve an irrevocable, nonexclusive, nontransferable, royalty-free license for the practice of such invention throughout the world by or on behalf of the corporation, the United States Government, or any department, agency, or instrumentality thereof, or any foreign government pursuant to any treaty or agreement with the United States. Each proposal for any waiver under this subsection shall be referred to an Inventions and Contributions Authority which the Executive Secretary shall establish within the corporation. Such Authority shall accord to each interested party an opportunity for hearing, and shall transmit to the Executive Secretary its findings of fact with respect to each such proposal and its recommendations for action to be taken with respect thereto.

"(d) The board of the corporation shall determine, and promulgate regulations specifying, the terms and conditions upon which licenses will be granted by the corporation for the practice by any nongovernmental person of any invention for which the corporation holds a patent on behalf of the United States.

"(e) The Executive Secretary is authorized to take all suitable and necessary action to protect any invention or discovery in which the corporation has any proprietary interest. The Executive Secretary shall take appropriate action to insure that any nongovernmental person who acquires any proprietary interest in any invention or discovery under this section will take appropriate action to protect that invention or discovery.

"(f) The corporation shall be considered a defense agency of the United States for the purpose of chapter 17 of title 35 of the United States Code.

"(g) As used in this section—

"(1) the term 'person' means any individual, partnership, corporation, association, institution, or other entity;

"(2) the term 'contract' means any actual or proposed contract, agreement, understanding, or other arrangement, including any assignment, substitution of parties, or subcontract executed or entered into thereunder; and

"(3) the term 'made', when used in relation to any invention, means the conception or first actual reduction to practice of such invention.

"SECURITY PROVISIONS

"SEC. 21. (a) The corporation shall establish such security requirements, restrictions, and safeguards as the President shall determine to be necessary in the interest of the national security.

"(b) The Civil Service Commission is authorized to conduct such security or other personnel investigations of the corporation's officers, employees, and consultants, and its contractors and subcontractors and their officers and employees, actual or prospective, as the board deems appropriate; and if such investigation develops any data reflecting that the individual who is the subject thereof is of questionable loyalty to the Government of the United States the matter shall be referred to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the board.

"(c) Whoever willfully shall violate, attempt to violate, or conspire to violate any regulation or order promulgated by the board of directors of the corporation, the protection or security of any laboratory, station, base, or other facility, or part thereof, or any aircraft, missile, spacecraft, or similar vehicle, or part thereof, or other property or equipment in the custody of the corporation, or any real or personal property or equipment in the custody of any contractor under any contract with the corporation, or any subcontractor of any such contractor, shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"PENAL PROVISIONS

"SEC. 22. (a) For the purposes of chapters 1, 7, 11, 15, 19, 23, 31, 37, 47, 93, 103, 105, and 115 of title 18 of the United States Code, the corporation shall be deemed to be a department of the Government of the United States, and officers, employees, and property of the corporation shall be deemed to be officers, employees, and property, respectively, of the United States.

"(b) Whoever, being an officer, employee, agent, or representative of the corporation, with intent to defraud the corporation or the United States Government or any department or agency thereof, (1) makes any false entry in any book or record of the corporation, or (2) makes any false report or statement with respect to the conduct of the business of the corporation, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(c) Whoever, being an officer, employee, agent, or representative of the corporation or any department or agency of the United States, with intent to defraud the corporation, shall in connection with the performance of any duty arising from his occupancy of any such status solicit or receive directly or indirectly any compensation, rebate, or other valuable consideration to which he is not lawfully entitled, shall be fined not more than $5,000, or imprisoned not more than five years, or both.

"LEGISLATIVE RECOMMENDATIONS

"SEC. 23. The President shall from time to time transmit to the Congress his recommendations for such additional legislation as he may deem necessary or proper to carry out the purposes of this Act.

"SAVING PROVISIONS

"SEC. 24. (a) The right to alter, amend, or repeal this Act is hereby expressly declared and reserved to the Congress, but no such amendment or repeal shall operate to impair the obligation of any contract lawfully made by the corporation under any power conferred by this Act.

"(b) If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remaining provisions of this Act, or the application of such provision to other persons or circumstances, shall not be affected thereby."

Strike out all after the enacting clause, and insert in lieu thereof the following: "That this Act may be cited as the 'Communications Satellite Act of 1962'.

"DECLARATION OF POLICY AND PURPOSE

"SEC. 2. (a) The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a communications satellite system, as part of an improved global communications network, which will be responsible to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.

"(b) The new and expanded telecommunication services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date. In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed, toward efficient and economical use of the electromagnetic frequency spectrum, and toward the reflection of the benefits of this new technology in both quality of services and charges for such services.

"AUTHORIZATION FOR ESTABLISHMENT OF COMMUNICATIONS SATELLITE SYSTEM

"SEC. 3. (a) Pending further legislation by the Congress, the National Aeronautics and Space Administration is authorized and directed to take such action in conformity with the provision of this Act as may be required to prepare plans and conduct research and development for, and place in operation at the earliest practicable time a space satellite communications system.

"(b) For the purposes of this Act, the Administration, in conformity with the provisions of the National Aeronautics and Space Act of 1958 may allocate its functions, by contract, lease, or otherwise, to public agencies and to private corporations in such manner as it shall determine to be best calculated to advance the national interest, except that no proprietary interest in any part of the system (including ground terminal stations and associated equipment and facilities) may be vested in any individual, partnership, corporation, association, or other business entity.

"(c) The Administration shall transmit to the Congress on January 1, 1963, and once in each period of six calendar months thereafter, a full and complete report concerning its activities under this Act and its progress in the accomplishment of the purposes of this Act.

"APPROPRIATIONS

"SEC. 4. There are hereby authorized to be appropriated to the Administration such sums as may be required to carry into effect the purposes of this Act."

On page 37, between lines 13 and 14, insert the following new subsection:

"(d) The corporation may not at any time directly or indirectly acquire, own, or control more than 50 percentum of the share capital or assets of any satellite terminal station situated in any foreign country or any associated equipment and facilities."

Mr. KEFAUVER. Mr. President, will the Senator yield to me for a unanimous-consent request, with the understanding that he will not lose his right to the floor?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may do so.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

Mr. KEFAUVER. Mr. President, I have a number of amendments which have been submitted and which have been at the desk for some time, which I should like to have the clerk read. I ask unanimous consent that the reading of the amendments may be dispensed with, that they may be considered as having been read, and printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request by the senior Senator from Tennessee?

Mr. KUCHEL. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. The Senator from California reserves the right to object.

Mr. KUCHEL. May I inquire of my beloved colleague whether he contemplates any general discussion of those amendments this evening?

Mr. KEFAUVER. I do not.

Mr. KUCHEL. Mr. President, I have no objection.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee? The

Chair hears no objection. The amendments will be received and printed, and the reading of the amendments will be dispensed with.

The amendments are as follows:

On page 24, lines 21 and 22, strike out "aid in the planning and development and foster" and insert in lieu thereof "plan, develop, and supervise".

On page 28, line 24, following "facilities" insert ", but only when such compatibility and/or interconnection are in the public interest".

On page 30, following line 4, insert the following subsection and renumber the succeeding subsections accordingly:

"(9) approve the bylaws of the corporation and each alteration made therein;".

On page 32, lines 3 through 6, strike out the sentence beginning with "Six" and insert in lieu thereof: "Six members of the board shall be elected annually by those stockholders who are not communications common carriers, and the remaining members of the board, not to exceed six, shall be elected annually by those stockholders who are communications common carriers in a number determined as follows: If such stockholders own in the aggregate not exceeding 15 per centum of the outstanding voting stock of the corporation, they shall elect one member; if they own in the aggregate in excess of 15 per centum but not exceeding 25 per centum, two members; if they own in the aggregate in excess of 25 per centum but not exceeding 35 per centum, three members; if they own in the aggregate in excess of 35 per centum but not exceeding 40 per centum, four members; if they own in the aggregate in excess of 40 per centum but not exceeding 45 per centum, five members; and if they own the aggregate in excess of 45 per centum, six members.".

Strike out all after the enacting clause and in lieu thereof insert the following: "That this Act may be cited as the 'Communications Satellite Authority Act'.

"DECLARATION OF POLICY AND PURPOSE

"SEC. 2. The Congress hereby declares that in order to promote international cooperation and to foster international understanding and peace, it is the policy of the United States to expand and improve international communications by providing leadership in the establishment of a global communication system at the earliest practicable time and to insure that the benefits of such a system are secured for the betterment of all mankind and all states irrespective of their economic and scientific development. In order to achieve these goals, the Congress hereby provides for ownership of the United States portion of the communications satellite system and invites all nations to participate in the system.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(1) The terms 'private communications carrier', 'common carrier', and 'carrier' mean any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, including persons engaged in radio and television broadcasting.

"(2) The terms 'communications satellite system', 'satellite system', and 'system' include satellites, ground stations, associated ground control and tracking facilities, and other related facilities comprising a system for global communication by satellite, except that any reference to foreign ownership of a 'communications satellite system', 'satellite system', or 'system' refers only to the satellite portion of the system.

"COMMUNICATIONS SATELLITE AUTHORITY ESTABLISHED

"SEC. 4. (a) There is hereby created a corporation, to be known as the Communications Satellite Authority (hereinafter referred to as the 'corporation'), whose purpose and object shall be to develop, construct, launch, operate, manage and promote the use of a communications satellite system, and to foster research and development in the field of space telecommunications.

"(b) In order to assure a structure of control which will assure maximum possible competition and development of an economical system, the benefits of which will be reflected in overseas communication rates, the corporation shall be organized and operated as a communications common carriers' carrier. It shall acquire, own, and operate, as an agent of the United States Government, the United States portion of the communications satellites, and the ground stations and associated ground control and tracking facilities situated in the United States, territories, or dependencies thereof.

"(c) The corporation shall lease communication channels on a nondiscriminatory and equitable basis to all United States carriers authorized by the Federal Communications Commission to provide communications services via satellites, and shall provide facilities for governmental needs, as a part of the commercial system or separately when required to meet unique Government needs which cannot in the national interest be met by the commercial system.

"(d) The corporation, under the foreign policy guidance of the President, and pursuant to agreements made by the President with the advice and consent of the Senate, shall provide opportunities for foreign participation in the use of communications satellites, through ownership or otherwise upon an equitable and nondiscriminatory basis.

"(e) The corporation, under the foreign policy guidance of the President, and pursuant to agreements made by the President with the advice and consent of the Senate, shall provide technical assistance to the less developed states in the development of their communication facilities so that they may make effective use of communications satellites and become an effective part of a global communication system.

"BOARD OF DIRECTORS OF THE CORPORATION

"SEC. 5. (a) The board of directors of the corporation (hereinafter referred to as the 'board') shall be composed of nine members.

"(b) Four directors shall be designated by the President, and shall include an Assistant Secretary of State, the Administrator of the National Aeronautics and Space Administration, a Commissioner of the Federal Communications Commission, and an additional member designated from officers of other departments and agencies of the United States. Directors so designated shall be known as 'governmental directors'.

"(c) Five directors shall also be appointed by the President, by and with the advice and consent of the Senate, solely on the basis of established records of distinguished achievement, from citizens of the United States in private life who are eminent in science, engineering, technology, education, administration, or public affairs. Directors so appointed shall be known as 'private directors'. The President shall appoint a chairman of the board from the private directors of the board. The chairman shall serve for a term of two years and may be reappointed for one or more additional terms as chairman.

"(d) The private directors first designated or appointed under this Act shall be designated or appointed for terms expiring two, four, six, seven and eight years after the effective date of this Act, respectively. Each private member of the board thereafter designated or appointed (other than a member designated or appointed for the unexpired portion of the term of an individual who is one of the initial members of the board) shall have a term of office expiring eight years from the date of the expiration of the term for which his predecessor was appointed.

"(e) Any private member appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(f) Each governmental director of the board may designate another officer of his department or agency to serve on the board as his alternate in his unavoidable absence. Each alternate member so designated shall be designated to serve as such by and with the advice and consent of the Senate, unless at the time of his designation he holds an office under the United States Government to which he was appointed by and with the advice and consent of the Senate.

"(g) Vacancies in the board shall not impair the powers of the board to execute its functions. Five members shall constitute a quorum for the transaction of the business of the board.

"(h) Each private director shall receive compensation at the rate of $22,500 per annum, which compensation shall be paid by the corporation from funds of the corporation. Each governmental director while serving as such shall receive the compensation provided by law for the office held by him in the department or agency of the United States from which he was selected. If the compensation so received by any governmental director does not equal the compensation received by private directors, that governmental director shall be paid from funds of the corporation an additional amount which, when combined with the compensation so received, will equal the compensation received by private directors. Nothing contained in this section shall be construed to reduce the compensation provided by law for any governmental director in his capacity as an officer of a department or agency of the United States.

"(i) Members of the board while engaged in the performance of duties of the board shall receive from funds of the corporation necessary travel expenses and a per diem allowance in lieu of subsistence computed in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2).

"(j) Members of the board who are private directors shall during their continuance in office devote their full time to the work of the corporation.

"(k) No director may have any financial interest in any communication carrier corporation engaged in the business of 'wire communications' or 'radio communications' as defined in the Communications Act of 1934, as amended.

"(l) A director may be removed from the board by the President upon a determination by the President, after notice and an opportunity for hearing, that such director has been guilty of malfeasance or nonfeasance in the performance of his duties as a director.

"(m) Each member of the board, before entering upon the duties of his office, shall subscribe to an oath or affirmation to support the Constitution of the United States and to faithfully and impartially perform the duties imposed upon him by this Act.

"DUTIES OF THE BOARD

"SEC. 6. (a) The board shall—

"(1) formulate all policies and programs for the development, construction, launching, operation, management, and promotion of the United States portion of the satellite communication system;

"(2) foster research and development in the field of space telecommunications; and

"(3) formulate policies and programs which will assist newly developing countries, and provide an effective global system as soon as practicable.

"(b) The board shall—

"(1) meet upon the call of the chairman, but not less than once in each month; and

"(2) direct the exercise of all the powers of the corporation.

"EXECUTIVE SECRETARY

"SEC. 7. (a) The board, without regard to the civil service laws, shall appoint an executive secretary from civilian life, who shall receive compensation at the rate of $20,500 per annum. Under the supervision and direction of the board, the executive secretary shall be responsible for the execution of all programs and policies formulated by the board, and shall have administrative control over all personnel and activities of the corportation unless otherwise specified in this Act.

"(b) The board, without regard to the civil service laws, shall appoint such other officers, employees, attorneys, and agents of the corporation as may be necessary for the performance of its duties; shall fix their compensation and define their duties; shall require bonds of such of them as the board may designate; and shall prescribe rules and regulations to fix responsibility and to promote efficiency in the operations of the corporation.

"(c) The board, without regard to the civil service laws, shall appoint a treasurer and such assistant treasurers as it may deem necessary, each of whom shall give such bonds for the safekeeping of the securities and moneys of the corporation as the board may require.

"(d) Any appointee of the board may be removed in the discretion of the board. No officer or employee of the corporation shall receive compensation at any rate in excess of that of members of the board.

"(e) In the appointment of officials and the selection of employees for said corporation, and in the promotion of any such employee or official, no political test or qualification shall be permitted or given consideration. All such appointments and promotions shall be based exclusively upon merit and efficiency. Any member of the board who is determined by the President, after notice and opportunity for hearing, to be guilty of a violation of this subsection shall be removed from office. Any appointee of the board who is determined by the board after notice and opportunity for hearing, to be guilty of a violation of this subsection shall be removed by the board from his office or employment in the corporation.

"COOPERATION OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

"SEC. 8. (a) The corporation is hereby authorized—

"(1) to cooperate with the National Aeronautics and Space Administration for the purpose of obtaining launch vehicles for the satellite system which will facilitate an economical and efficient development of an operational system, launching the satellites and associated services, and consulting with the National Aeronautics and Space Administration on the technical specifications for satellites and ground stations and the location of such stations; and

"(2) to consult with the National Aeronautics and Space Administration for the purpose of coordinating all research and development programs carried out by the corporation with research and development programs carried out by private aerospace corporations, private communications carriers, other corpoations, and govenmental departments and agencies under the supervision of the National Aeronautics and Space Administration in order to guarantee rapid and continuous scientific technological progress in a global communication system.

"(b) The National Aeronautics and Space Administration is authorized and directed to furnish to the corporation such facilities, services, supplies, and information as the corporation may require for the performance of its duties. Any expenses so incurred by the National Aeronautics and Space Administration on behalf of the corporation shall be reimbursed by the corporation from its funds. Any sums so received by the Administration shall be credited to the current appropriations of the Administration, and shall be available to the Administration for obligation and expenditure within the fiscal year in which such sums are received.

"COOPERATION OF FEDERAL COMMUNICATIONS COMMISSION

"SEC. 9. (a) The Federal Communications Commission is authorized and directed to—

"(1) render to the corporation such assistance as may be required to insure that the communications satellite system established by the corporation will be technically comparable with and operationally interconnected with existing terrestrial communication facilities; and

"(2) establish such rules and regulations as may be required to regulate all overseas communication rates established by private communication carriers for the use of facilities of the communications satellite system, and to insure that all such rates are reasonable and related to the cost of leasing channels from the corporation.

"(b) Under such rules and regulations as it shall prescribe, the Federal Communications Commission shall determine the eligibility of United States communications carriers to use the communications channels provided by the corporation, and shall insure equitable and nondiscriminatory access to the system by present and future authorized private communications carriers.

"ASSISTANCE FROM OTHER GOVERNMENT AGENCIES

"SEC. 10. (a) The board is hereby authorized to obtain from any department, agency, or instrumentality of the United States with the consent of the head thereof, such facilities, services, supplies, advice, and information as the corporation may determine to be required to enable it to carry out its duties. So far as practicable, the corporation shall utilize the facilities and services of such departments, agencies, and instrumentalities.

"(b) Under the direction of the President, each such department, agency, and instrumentality shall furnish to the corporation, upon a reimbursable basis, such facilities, services, supplies, advice, and information as the corporation may require for the performance of its obligations.

"(c) Any invention or discovery made by any officer or employee of the corporation in consequence of the performance of his duties, or by any officer or employee of the Government of the United States in the rendition of service for the corporation, and title to any patent which may be granted thereon, shall be the sole and exclusive property of the corporation. The corporation is authorized to grant under any such patent such licenses as may be authorized by the board. The board may authorize the payment to any such inventor such sums from the income received by the corporation from the sale of licenses under the patent granted for his invention as it deems proper.

"GENERAL POWERS OF THE CORPORATION

"SEC. 11. (a) Except as otherwise specifically provided in this Act, the corporation shall have succession in its corporate name, and shall have power to—

"(1) sue and be sued in its corporate name;

"(2) adopt and use a corporate seal, which shall be judicially noticed;

"(3) adopt, amend, and repeal bylaws;

"(4) make, perform, and enforce contracts as authorized by this Act;

"(5) purchase or lease and hold such real and personal property as it deems necessary or convenient for the performance of its obligations, and to dispose of any personal property held by it;

"(6) acquire real estate for the construction and operation of ground stations and tracking facilities;

"(7) acquire real property by condemnation, in the name of the United States of America, the title to real property so acquired to be taken in the name of the United States of America for the use of the corporation as the agent of the United States to carry into effect the purposes of this Act;

"(8) convey to any person or corporation, by deed, lease, or otherwise, any interest in real property possessed by the corporation when such property no longer is needed by the corporation for the purposes of this Act;

"(9) transfer to any other department, agency, or instrumentality of the United States any part of any real property in the possession or under the control of the corporation when such property no longer is needed by the corporation for the purposes of this Act;

"(10) enter into, perform, and enforce contracts and agreements of every kind and description with any person, firm, association, corporation, municipality, county, State, body politic, or government or colony or dependency thereof in order to develop, construct, launch, operate, manage, and promote the United States portion of the communications satellite system;

"(11) make such expenditures, and enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it may deem necessary, including the compromise or final settlement of all claims and legal actions by or against the corporation; and, notwithstanding the provisions of any other law governing the expenditure of public funds, the General Accounting Office, in the settlement of the accounts of the Treasury or other accountable officer or employee of the corporation, shall not disallow credit for, nor withhold funds, because of any expenditure which the board shall determine to have been necessary to carry out the provisions of said Act; and

"(12) determine upon and establish, except as otherwise provided by this Act, a system of administrative accounts, and the form and content of contracts and other business documents of the corporation.

"(b) The corporation shall have such other powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the corporation.

"PROCUREMENT OF SUPPLIES AND SERVICES

"SEC. 12. (a) Except as otherwise provided by this section, all purchases and contracts for supplies or services, except for personal services, made by the corporation, shall be made after advertising in such manner and at such times sufficiently in advance of opening bids, as the board shall determine to be adequate to insure public notice and opportunity for competition.

"(b) Advertisement under subsection (a) shall not be required when it is determined under such regulations as the board shall prescribe that—

"(1) an emergency requires immediate delivery of the supplies or performance of the services;

"(2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or

"(3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed $500, in which case such purchases may be made in the open market.

"(c) In making purchases or contract awards, the board may consider such factors as relative quality and adaptability of supplies or services offered, the supplier's financial responsibility, skill, experience,

record of integrity in dealing, and ability to furnish repairs and maintenance services; the time of delivery or performance offered; and compliance of the supplier with specifications prescribed by the corporation.

"FINANCIAL ACCOUNTABILITY OF THE CORPORATION

"SEC. 13. (a) The corporation shall maintain its principal office within, or in the immediate vicinity of, the District of Columbia. The corporation shall be an inhabitant and resident of the District of Columbia within the meaning of the laws of the United States relating to the venue of civil suits.

"(b) The board shall transmit to the President and to the Congress, in December of each year, a full and complete financial statement and report as to the activities and accomplishments of the corporation during the preceding fiscal year ending on June 30, including the total number of officers and employees of the corporation, and the names, salaries, and duties of those who receive compensation at the rate of $5,000 per annum or more.

"(c) The Comptroller General of the United States shall conduct an audit of the financial transactions of the corporation at such times as he shall determine, but not less frequently than once during each fiscal year. For that purpose, the Comptroller General or any representative duly designated by him shall have access to all records necessary to conduct any such audit. Copies of the report of each audit shall be transmitted to the President of the United States, the Congress, and the chairman of the board of the corporation, and a copy thereof shall be retained for public inspection at the principal office of the corporation. No such report of audit shall be published until the corporation has had reasonable opportunity to examine any exceptions and criticisms, made by the Comptroller General, to point out errors therein, to explain or answer such exceptions and criticisms, and to file a statement which shall be published by the Comptroller General as a part of his report. The corporation shall reimburse the General Accounting Office for the cost of each such audit at such time and in such manner as the Comptroller General shall prescribe from time to time.

"(d) The corporation, its property, franchises, and income, are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision or district thereof.

"CAPITAL AND REVENUE OF THE CORPORATIONS

"SEC. 14. (a) It is hereby declared to be the policy of this Act to make the corporation self-supporting and self-liquidating, and communication channels shall be leased at rates which in the opinion of the board will produce gross revenues in excess of costs.

"(b) The corporation is authorized to issue and sell bonds, in an amount not exceeding $500,000,000 outstanding at any one time, to finance the communications satellite program and to refund such bonds. The corporation may, in performing functions authorized by this Act, use the proceeds of such bonds for capital expenditures necessary for the development, construction, launching, management, operation, and promotion of the communications satellite system prescribed by this Act, and for research and development activities incident thereto.

"(c) Principal and interest on bonds issued by the corporation shall be payable solely from the corporation's net communication proceeds. As used in this section, the term 'net communication proceeds' means that portion of the annual gross leasing revenues of the corporation which remains after deducting the aggregate annual cost of launching, operating, maintaining, and administering the satellite system (including the ground stations and the tracking facilities) but before deducting depreciation accruals or other charges representing the amortization of capital expenditures, plus the net proceeds of the sale or other disposition of any communications satellite facilities or any interest therein, and shall include reserve or other funds created from such sources.

"(d) Notwithstanding any provision of this Act or any other provision of law, the corporation may pledge and use its annual net communication proceeds for the annual payment of the principal of and interest on said bonds, for purchases or redemption thereof, and for other purposes incidental thereto, involving creation of reserve funds and other funds which may be similarly pledged and used, to such extent and in such manner as the board deems necessary or desirable. The issuance and sale of bonds by the corporation and the expenditure of bond proceeds for the purposes specified herein, including additional construction of launching vehicles, satellites, and additional construction of ground stations and tracking facilities, shall not be subject to the requirements or limitations of any other law.

"BONDS ISSUED BY THE CORPORATION

"SEC. 15. (a) It is hereby declared to be the intent of this section to aid the corporation in discharging its responsibility for the advancement of a global communications system using space satellites, and the physical, social, and economic development of the United States by providing it with adequate authority and administrative flexibility to obtain the necessary funds with which to assure an ample number of oversea communication channels for such purposes by issuance of bonds or as otherwise provided herein, and this Act shall be so construed as to effectuate such intent.

"(b) Except as otherwise specifically provided by this Act, bonds issued by the corporation under this Act shall be negotiable instruments unless otherwise specified therein, shall be issued in such forms and denominations, shall be sold at such times and in such amounts, shall mature at such time or times not more than fifty years from their respective dates of issuance, shall be sold at such prices, shall bear such rates of interest, may be redeemable before maturity at the option of the corporation in such manner and at such times, and redemption premiums may be entitled to such relative priorities of claim on the corporation's net proceeds with respect to principal and interest payments, and shall be subject to such other terms and conditions, as the board of directors may determine.

"(c) At least fifteen days before the offer by the corporation of any issue of bonds for sale (exclusive of any commitment for any period less than one year) the corporation shall notify the Secretary of the Treasury as to the proposed amount, date of sale, maturities, terms and conditions, and the expected rates of interest of the proposed issue in the fullest detail. If the Secretary so requests, the corporation shall consult with him or with his designee with respect thereto, but the sale and issuance of such bonds shall not be subject to approval by the Secretary of the Treasury except as to the time of issuance, and the maximum rates of interest to be borne by the bonds. If the Secretary of the Treasury does not concur in a proposed issue of bonds hereunder within seven business days following the date on which he is advised of the proposed sale, the corporation may issue to the Secretary and the Secretary shall purchase interim obligations in the amount of the proposed issue which the Secretary is directed to purchase.

"(d) In case the corporation determines that a proposed issue of bonds hereunder cannot be sold on reasonable terms, it may issue to the Secretary interim obligations which the Secretary is authorized to purchase.

"(e) Obligations issued by the corporation to the Secretary may not exceed $150,000,000 outstanding at any one time. Any obligations so issued to the Secretary shall mature on or before one year from date of issue, and shall bear interest equal to the average rate (rounded to the nearest one-eighth of a percent) on outstanding marketable obligations of the United States with maturities from dates of issue of one year or less as of the close of the month preceding the issuance of the obligations of the corporation.

"(f) If agreement is not reached within eight months concerning the issuances of any bonds which the Secretary has failed to approve, the corporation may nevertheless proceed to sell such bonds on any date thereafter without approval by the Secretary in amount sufficient to retire the interim obligations issued to the Treasury and such interim obligations shall be retired from the proceeds of such bonds.

"(g) The corporation may sell its bonds by negotiation or on the basis of competitive bids subject to the right, if reserved, to reject all bids; may designate trustees, registrars, and paying agents in connection with said bonds and the issuance thereof; may arrange for audits of its accounts and for reports concerning its financial conditions and operations by certified public accounting firms; may, subject to any covenants contained in any bond contract, invest the proceeds of any bonds and other funds under its control which derive from or pertain to its communications satellite program in any securities approved for investment of national bank funds; may deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve bank or bank having membership in the Federal Reserve System; and may perform such other acts not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section. Bonds issued by the corporation hereunder shall contain a recital that they are issued pursuant to this subsection, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such bonds and of their validity. The annual report made by the board to the President and to the Congress shall contain a full and detailed statement of all action taken by the corporation under this section during the year.

"(h) The corporation is authorized to enter into binding covenants with the holders of bonds issued under this Act (and with the trustees thereof, if any) under any indenture, resolution, or other agreement entered into in connection with the issuance thereof with respect to the establishment of reserve funds and other funds, adequacy of charges for supplying communication channels, application and use of net communication proceeds, stipulations concerning the subsequent issuance of bonds or such other matters not inconsistent with the Act, as the corporation may deem necessary or desirable to enhance the marketability of said bonds.

"(i) Bonds issued by the corporation hereunder shall be investments which may be accepted as security for all fiduciary trust, and public funds, the investment or deposit of which shall be under the authority or control of any office or agency of the United States. The Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the bonds of the corporation acquired by them under this section. Bonds issued by the corporation hereunder shall be exempt both as to principal and interest from all taxation now or hereafter imposed by any

State or local taxing authority except estate, inheritance, and gift taxes.

"APPROPRIATED FUNDS

"SEC. 16. (a) There are hereby authorized to be appropriated to the Secretary of the Treasury for disbursement to the corporation such sums as may be required for the performance of the functions of the corporation under this Act. Appropriated funds so disbursed to the corporation shall be repaid to the Treasury in conformity with the provisions of this section. Unrepaid disbursements of appropriated funds under this section may not at any time exceed $50,000,000 in the aggregate.

"(b) From net communications proceeds in excess of those required to meet the corporation's obligations under the provisions of any bond or bond contract, the corporation shall, beginning with the first fiscal year beginning after the effective date of this Act, make the following payments to the Secretary for deposit in the Treasury as miscellaneous receipts on or before December 31 and June 30 of each fiscal year—

"(1) a sum, computed as provided in subsection (c), as a return on the appropriation investment, if any, in the corporation's communications satellite facilities, as determined by the Director of the Bureau of the Budget; and

"(2) a sum in repayment of appropriation investment in the corporation in such amount as the Secretary of the Treasury shall determine to be available for that purpose without impairing the operations of the corporation.

"Such payments shall continue to be made until the total appropriation investment in the corporation shall have been repaid.

"(c) The appropriation investment referred to in subsection (b) shall consist, in any fiscal year, of that part of the corporation's total investment assigned to communications satellite facilities as of the beginning of the fiscal year (including both completed facilities and facilities under construction) which has been provided from appropriations, or by transfers of property from other Government agencies without reimbursement by the corporation, less repayments of such appropriation investment made under this Act, or other applicable legislation. The payment as a return on the appropriation investment in each fiscal year shall be equal to the computed average interest rate payable by the Treasury upon its total marketable public obligations as of the beginning of said fiscal year applied to said appropriation investment.

"(d) Payments due to be made under this section may be deferred for not more than two years when in the judgment of the board of directors of the corporation such payment cannot feasibly be made because of inadequacy of funds, due to poor business conditions, emergencies, or other factors beyond the control of the corporation.

"REVENUE AND APPLICATION THEREOF

"SEC. 17. (a) The corporation shall charge rates for the use of communication channels which will produce gross revenues sufficient to provide funds for the operation, maintenance, and administration of its communications satellite system; provide for the servicing of outstanding bonds, including provision for and maintenance of reserve funds and other funds established in connection therewith; payments to the Treasury as a return on the investment of appropriated funds, if any; and for such additional margin as the board may consider desirable for purposes connected with the corporation's communications satellite system. Such overseas communication rates shall be fixed at levels which are as low as practicable.

"(b) The corporation shall, during each five-year period beginning with the first fiscal year beginning after the effective date of this Act, apply revenues in reduction (directly or through payments into reserve on sinking funds) of its capital obligations, including bonds and appropriation investments, or to reinvestments in the communications satellite system, at least to the extent of the combined amount of the aggregate of the depreciation accruals and other charges representing the amortization of capital expenditures applicable to its communications satellite system.

"ACCESS TO PATENTS AND TECHNICAL INFORMATION

"SEC. 18. (a) The corporation, as an instrumentality and agency of the Government of the United States for the purpose of executing its functions under this Act, shall have access at all times to information available in the Patent Office of the United States for the purpose of studying, ascertaining, and copying, all methods, formulae, and scientific information (not including access to pending applications for patents) necessary to enable the corporation to use and employ the most efficacious and economical process for the development of a communications satellite system, or any method for improving and cheapening overseas communication rates through the use of a communications satellite system, and any owner of a patent whose patent rights may have been thus in any way copied, used, infringed, or employed by the exercise of this authority by the corporation shall have as the exclusive remedy a cause of action against the corporation for the recovery of reasonable compensation for such infringement. The district courts of the United States shall have jurisdiction to hear and determine such actions. This subsection shall not apply to any art, machine, method of manufacture, or composition of matter, discovered or invented by any officer or employee of the Government of the United States or of the corporation if such invention or discovery was made in the performance of obligations to the Government of the United States or to the corporation.

"(b) The Commissioner of Patents shall furnish to the corporation, at its request and without payment of fees, copies of documents on file in his office.

"PROPERTY RIGHTS IN INVENTIONS

"SEC. 19. (a) Whenever any invention is made in the performance of any work performed under any contract entered into by or on behalf of the corporation, such invention shall be the exclusive property of the United States, and if such invention is patentable, a patent therefor shall be issued to the corporation as agent of the United States notwithstanding any other provision of law upon application made by the Executive Secretary, unless the Executive Secretary, acting in conformity with policies and procedures adopted by the board, waives all or any part of the rights of the United States to such invention in compliance with the provisions of subsection (c) of this section. No patent may be issued to any applicant other than the corporation for any invention which appears to the Commissioner of Patents to have significant utility in the development or operation of a communications satellite system unless—

"(1) the applicant files with the Commissioner, with the application or within thirty days after request therefor by the Commissioner, a written statement executed under oath setting forth the full facts concerning the circumstances under which such invention was made and stating the relationship (if any) of such invention to the performance of any work under any contract of the corporation; and

"(2) The Executive Secretary transmits to the Commissioner a written certification to the effect that such invention is not subject to the provisions of this section.

"Copies of each such statement and the application to which it relates shall be transmitted forthwith by the Commissioner to the Executive Secretary.

"(b) Each contract entered into by the corporation with any party for the performance of any scientific, technological, or developmental activity shall contain effective provisions under which such party shall furnish promptly to the Executive Secretary a written report containing full and complete technical information concerning any invention, discovery, improvement, or innovation which may be made in the performance of such activity.

"(c) Under such regulations as the board shall adopt in compliance with the provisions of this section the Executive Secretary may waive all or any part of the proprietary rights of the United States under this section with respect to any invention or class of inventions made or which may be made by any person or class of persons in the performance of any activity required by any contract of the corporation if the Executive Secretary determines that the public interest will be served thereby. Any such waiver may be made upon such terms and under such conditions as the Executive Secretary shall determine to be required for the protection of the public interest. Each such waiver made with respect to any invention shall include provisions effective to reserve an irrevocable, nonexclusive, nontransferable, royalty-free license for the practice of such invention throughout the world by or on behalf of the corporation, the United States Government, or any department, agency, or instrumentality thereof, or any foreign government pursuant to any treaty or agreement with the United States. Each proposal for any waiver under this subsection shall be referred to an Inventions and Contributions Authority which the Executive Secretary shall establish within the corporation. Such Authority shall accord to each interested party an opportunity for hearing, and shall transmit to the Executive Secretary its findings of fact with respect to each such proposal and its recommendations for action to be taken with respect thereto.

"(d) The board of the corporation shall determine, and promulgate regulations specifying, the terms and conditions upon which licenses will be granted by the corporation for the practice by any nongovernmental person of any invention for which the corporation holds a patent on behalf of the United States.

"(e) The Executive Secretary is authorized to take all suitable and necessary action to protect any invention or discovery in which the corporation has any proprietary interest. The Executive Secretary shall take appropriate action to insure that any nongovernmental person who acquires any proprietary interest in any invention or discovery under this section will take appropriate action to protect that invention or discovery.

"(f) The corporation shall be considered a defense agency of the United States for the purpose of chapter 17 of title 35 of the United States Code.

"(g) As used in this section—

"(1) the term 'person' means any individual, partnership, corporation, association, institution, or other entity;

"(2) the term 'contract' means any actual or proposed contract, agreement, understanding, or other arrangement, including any assignment, substitution of parties, or subcontract executed or entered into thereunder; and

"(3) the term 'made', when used in relation to any invention, means the conception or first actual reduction to practice of such invention.

"SECURITY PROVISIONS

"SEC. 20. (a) The corporation shall establish such security requirements, restrictions, and safeguards as the President shall determine to be necessary in the interest of the national security.

"(b) The Civil Service Commission is authorized to conduct such security or other personnel investigations of the corporation's officers, employees, and consultants, and its contractors and subcontractors and their officers and employees, actual or prospective, as the board deems appropriate; and if any such investigation develops any data reflecting that the individual who is the subject thereof is of questionable loyalty to the Government of the United States the matter shall be referred to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the board.

"(c) Whoever willfully shall violate, attempt to violate, or conspire to violate any regulation or order promulgated by the board of directors of the corporation, the protection or security of any laboratory, station, base, or other facility, or part thereof, or any aircraft, missile, spacecraft, or similar vehicle, or part thereof, or other property or equipment in the custody of the corporation, or any real or personal property or equipment in the custody of any contractor under any contract with the corporation, or any subcontractor of any such contractor, shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"PENAL PROVISIONS

"SEC. 21. (a) For the purposes of chapters 1, 7, 11, 15, 19, 23, 31, 37, 47, 93, 103, 105, and 115 of title 18 of the United States Code, the corporation shall be deemed to be a department of the Government of the United States, and officers, employees, and property of the corporation shall be deemed to be officers, employees, and property, respectively, of the United States.

"(b) Whoever, being an officer, employee, agent, or representative of the corporation, with intent to defraud the corporation or the United States Government or any department or agency thereof, (1) makes any false entry in any book or record of the corporation, or (2) makes any false report or statement with respect to the conduct of the business of the corporation, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(c) Whoever, being an officer, employee, agent, or representative of the corporation or any department or agency of the United States, with intent to defraud the corporation, shall in connection with the performance of any duty arising from his occupancy of any such status solicit or receive directly or indirectly any compensation, rebate, or other valuable consideration to which he is not lawfully entitled, shall be fined not more than $5,000, or imprisoned not more than five years, or both.

"LEGISLATIVE RECOMMENDATIONS

"SEC. 22. The President shall from time to time transmit to the Congress his recommendations for such additional legislation as he may deem necessary or proper to carry out the purposes of this Act.

"SAVING PROVISIONS

"SEC. 23. (a) The right to alter, amend, or repeal this Act is hereby expressly declared and reserved to the Congress, but no such amendment or repeal shall operate to impair the obligation of any contract lawfully made by the corporation under any power conferred by this Act.

"(b) If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remaining provisions of this Act, or the application of such provision to other persons or circumstances, shall not be affected thereby."

On page 27, line 6, after the period, insert: "All inventions and other technology furnished by the Administration to the corporation shall be in the form of a nonexclusive license for which the corporation shall pay a reasonable royalty. Any inventions developed by the corporation from the inventions and technology furnished by the Administration shall be made available to the United States in the form of a nonexclusive royalty-free license."

On page 28, strike out lines 20 through 24 and renumber the succeeding subsections accordingly.

On page 21, line 9, after the semicolon, insert: "that each communications common carrier shall have the right to fully interconnect its communications system with the communications system of any other communications common carrier;".

On page 28, following line 24, insert the following and renumber the succeeding sections accordingly:

"(5) insure that any international communications common carrier has the right to interconnect its communications system on reasonable and nondiscriminatory terms with the domestic communications systems of any other communications common carriers to provide any services authorized by the Commission;".

On page 33, line 7, strike out "$100" and insert in lieu thereof "$10".

On page 34, line 20, delete the period and insert in lieu thereof the following: "which shall be sold at a price of $10 for each share and in a manner to insure the widest distribution to the American public and among the communications common carriers.".

On page 34, line 20, strike out all of subsection (c) beginning with "Such" and insert in lieu thereof the following: "Each issue shall be made in a manner to encourage the widest distribution to the American public and the communications common carriers.".

Strike out the sentence beginning with "In" on page 35, line 24, and ending with "carriers." on line 3, page 36, and insert in lieu thereof "In its determination of the public interest with respect to ownership of shares of stock in the corporation, the Commission shall promote the widest possible distribution of stock among the authorized carriers.".

On page 24, after line 25, insert the following new subsection:

"(2) decide whether the communications satellite corporation authorized under title III of this Act shall initially utilize a synchronous or nonsynchronous system and may decide at a future date that the corporation shall change from one system to the other."

On pages 25 and 26, renumber subsections of section 201(a) to conform with the new subsection (2).

On page 25, line 21, strike out "and appropriate utilization".

On page 31, line 14, add the following: "Such articles of incorporation shall thereafter be amended only upon the initiation by or the approval of the President."

On page 33, line 6, strike out "initially offered".

On page 33, strike out lines 12 through 18 and renumber the succeeding subsections accordingly.

On page 33, lines 19 through 24, strike out the sentence beginning with "Only" and ending with "control".

On page 34, lines 2 and 8, on page 35, lines 6, 12, 19, and 20, and on page 36, line 3, strike out "authorized" and insert in lieu thereof "communications common".

Beginning with line 12 on page 33, strike out everything through line 16 on page 34 and insert in lieu thereof the following:

"(b) No communications common carrier shall own any shares of stock in the corporation either directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to its direction or control."

Beginning with "Such" on page 34, line 20, strike out everything through page 35, line 2.

On page 27, line 3, strike out "feasible" and insert in lieu thereof "deemed appropriate by the Administration".

On page 32, line 24, immediately following the period, add the following: "Each such officer shall devote his full time and best efforts to the work of the corporation. No officer or director of the corporation shall have any financial interest of any kind in any communication carrier corporation or other entity engaged in the business of 'wire communications' or 'radio communications' as defined in the Communications Act of 1934, as amended, or in any corporation, partnership, or other entity from which the corporation purchases equipment or services."

On page 33, line 6, strike out "offered" and insert in lieu thereof "issued".

Beginning with "Such" on page 34, line 20, strike out everything through page 35, line 2, and insert in lieu thereof the following: "Fifty per centum of such nonvoting securities, bonds, debentures, and other certificates of indebtedness authorized for issuance at any time by the corporation shall be reserved for purchase by communications common carriers and such purchasers shall in the aggregate be entitled to make purchases of the reserved shares in a total number not exceeding the total number of the nonreserved shares of any issues purchased by other persons. At no time shall the aggregate of such nonvoting securities, bonds, debentures, or other certificates of indebtedness held by communications common carriers directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to their direction or control exceed fifty per centum of such nonvoting securities, bonds, debentures, or other certificates of indebtedness issued and outstanding.".

On page 34, line 23, following "shall", insert "not".

On page 25, line 20, strike out the semicolon and insert in lieu thereof the following: ", and for the determination of the most constructive role for the United Nations;".

On page 27, line 2, strike out "and".

On page 27, line 6, strike out the period and insert in lieu thereof "; and".

On page 27, following line 6, insert the following:

"(7) report annually to the Congress with respect to all contracts, licenses, negotiations, and other transactions between the corporation and the Administration.".

On page 34, lines 13 and 14, strike out "who is not an authorized carrier".

On page 34, line 14, strike out "such".

On page 35, line 10, strike out "section 45 (b)" and insert in lieu thereof "sections 45 (b) and 45(d)".

On page 35, lines 13 and 14, strike out "and copying set forth in that subsection" and insert in lieu thereof ", copying, and statement of affairs set forth in those subsections.".

On page 36, following line 3, insert the following:

"(g) No communications common carrier which owns more than 1 per centum of any class of stock of the corporation may sell apparatus, equipment, or services to the corporation in an amount exceeding $25,000 per annum, either directly or indirectly through any subsidiary, affiliated company, nominee, or any persons subject to its direction or control.".

On page 26, lines 10 and 11, strike out "cooperate with the corporation in research and development".

On page 26, strike out lines 10 through 12 and insert in lieu thereof the following:

"(2) to the extent deemed appropriate by the Administration in the public interest, cooperate with the corporation in research and development and require the corporation to engage in research and development on behalf of the United States in return for

which the corporation shall receive reasonable reimbursement;".

On page 29, strike out lines 9 through 19, and insert in lieu thereof the following:

"(7) grant appropriate authorization to the corporation for the construction and operation of each satellite terminal station. No satellite terminal shall be owned or operated by any corporation, partnership, firm, or entity other than the corporation."

On page 30, lines 6 and 13, strike out "or carriers".

On page 37, lines 20 through 24, strike out the sentence beginning with "The" and ending with "Act."

On page 31, lines 2 through 4, strike out the sentence beginning with "The" and ending with "reserved."

On page 33, line 6, strike out "initially offered".

On page 33, line 8, strike out the period and insert in lieu thereof "and among the communications common carriers.".

On page 35, line 3, strike out "20" and insert in lieu thereof "5".

On page 35, line 6, strike out "authorized".

On page 38, strike out lines 3 through 14 and insert in lieu thereof the following:

"CONDUCT OF FOREIGN NEGOTIATIONS

"SEC. 402. The corporation shall not enter into negotiations with any international agency, foreign government, or entity, without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements with any such agency, government, or entity shall be subject to the approval of the Department of State."

On page 33, line 11, after the word "person", insert the following: *"Provided, however,* That Congress expressly reserves the right to direct the Commission to require any communications common carrier to divest itself of part or all of its voting stock in the corporation in an amount determined by Congress, such direction and determination, if any, to be made subsequent to review by Congress of the report by the Commission authorized and directed by title V of this Act."

On page 40, following line 14, insert the following:

"TITLE V—FEDERAL COMMUNICATIONS COMMISSION'S INVESTIGATION OF THE COMMUNICATIONS INDUSTRY

"SEC. 501. It is necessary, in aid of legislation by the Congress and for the use of governmental agencies, particularly with respect to space satellite communications and other rapidly advancing areas of communication technology; for the information of the general public; as an aid in providing more effective rate regulation; and for other purposes in the public interest; that accurate and comprehensive information be procured and compiled regarding both the domestic and international operations of American Telephone and Telegraph Company and other communication common carriers.

"SEC. 502. The Federal Communications Commission is hereby authorized and directed to investigate and report to the Congress no later than January 20, 1964, on the following matters with respect to the American Telephone and Telegraph Company and other communication common carriers, including all of their subsidiary, affiliated, associated, and holding companies, and any other companies in which any of them have any direct or indirect financial interest, or which have any such interest in them, or in which any of their officers or directors hold any office or exert any control or whose officers or directors hold any office or exert any control in them. The report shall give particular emphasis to all aspects of the following matters which have occurred since 1939:

"(a) The corporate and financial history, and the capital structure and the relationship of such company and of its subsidiary, affiliated, associated, and holding companies, including the determination of whether or not such structure may enable them to evade regulation or taxation, or to conceal, pyramid, or absorb profits, or to do any other act contrary to the public interest.

"(b) The extent and character of intercompany service contracts and all transactions between communications common carriers and their subsidiaries, affiliated, associated, or holding companies, and particularly between the American Telephone and Telegraph Company and the Western Electric Company and other manufacturers of electrical communication equipment; the cost of and sale prices of equipment, material, or devices to operating companies of users; the profits upon such sales and the effect of such sales upon the rates or upon the rate base of operating companies when used as a basis for charges; and the probable savings to operating companies and the public by purchasing equipment under a system of competitive bidding.

"(c) The reasonableness of rates and charges; and, the extent to which subscribers or users of communications services have borne the cost of research and development, including but not limited to the maintenance and support of Bell Telephone Laboratories, Incorporated.

"(d) The effect of monopolistic control upon the reasonableness of rates and charges, upon competition in the communications industry, and upon the character of services rendered, and any unfair or discriminatory practices.

"(e) The effect of mergers, consolidations, and acquisitions of control in the communications industry, including the determination of whether there has been any 'write-up' in the purchase price of property, equipment, or intangibles, the fairness of the terms and conditions of any merger, consolidation, or acquisition, and the public interest therein, and the effect thereof upon rates or service.

"(f) The accounting methods of the communications common carriers, particularly with reference to depreciation and reserve accounting, apportionment of investment, revenues, and expenses between State and interstate operations, employee pension funds, executive compensation, and valuation of properties for both rate and tax purposes.

"(g) The methods of competition by communications common carriers amongst themselves and with other companies including the determination of whether or not there has been any sale or refusal to buy from or sell to competing companies, or suppression of patents, and the expansion of communications common carrier companies into various fields.

"(h) Whether or not the communications common carriers have sought through propaganda or the expenditure of money or the control of channels of publicity to influence or control public opinion, legislative or administrative action, or elections.

"(i) All other matters in any way bearing on the reasonableness of rates and charges, quality of service, the extent of concentration, and competition in the communications industry.

"SEC. 503. As used in the resolution the term 'communications common carrier' shall include all subsidiary, affiliated, associated, and holding companies or corporations and all companies directly or indirectly associated or connected with telephone companies, either by direct or indirect stock ownership, interlocking directorates, voting trusts, holding or investment companies, or any other direct or indirect means.

"SEC. 504. For the purposes of this resolution the Federal Communications Commission is hereby authorized to hold hearings; to contract for stenographic reporting service; to utilize its regular personnel, facilities, jurisdiction, and powers insofar as practicable; and to employ for the purposes of this investigation such additional experts, including engineering, accounting, legal, and other assistants as may be found necessary, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States; and to make such other expenditures, including necessary travel expenses, and expenditures for printing and binding, as it deems necessary. The Commission is also hereby authorized to have access to, upon demand, for the purposes of examination, and the right to copy, any books, papers, correspondence, memorandums, and other records of any person, partnership, company, or other organization being investigated, whether such books, papers, correspondence, memorandums, or records are in the possession of the company under investigation or are in the possession of other persons, firms, or corporations; to require by subpena the attendance and testimony of witnesses and the production of books, papers, correspondence, memorandums, and other records which the Commission deems relevant or material to the inquiry, at any designated place of hearing within the United States; to administer oaths and affirmations, to require persons, partnerships, companies, or other organizations to submit to the Commission in writing reports and answers to specific questions, furnishing such information as the Commission may require relative to the inquiry. Such reports and answers shall be made under oath or otherwise as the Commission may prescribe and shall be filed with the Commission within such reasonable period as the Commission may prescribe, unless additional time be granted in any case by the Commission. In case of contumacy or the refusal to obey any subpena or other order issued hereunder, the Commission may invoke the aid of any court of the United States, within the jurisdiction of which such inquiry is carried on, or where such party guilty of contumacy or refusal to obey resides or has his place of business, in requiring obedience to such subpena or other order and any such court of the United States shall have jurisdiction to issue its order enforcing such subpena or other order of the Commission in whole or in part; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in such cases may be served wherever the defendant may be found.

"SEC. 505. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,265,900, to be made immediately available to the Federal Communications Commission for the purposes of the investigation and report herein authorized and directed, and the Commission shall make special reports to Congress on its progress and its findings in this investigation."

Strike out all after the enacting clause, and insert in lieu thereof the following:

"That (a) the President is authorized and requested to transmit to the Congress at the earliest practicable time a proposed plan, consistent with the provisions of this Act, for the creation of a corporation to establish and operate, in cooperation with Government agencies, a commercial worldwide communications system using communications satellites in space and related terrestrial installations.

"(b) Such plan shall contain appropriate provisions to insure that—

"(1) the corporation so established shall be privately owned;

"(2) the stock thereof shall be issued in such manner as to encourage the widest distribution to the American public;

"(3) such satellite communications system would be competitive with, and not

merely supplemental to, existing systems of terrestrial communications;

"(4) such system could not become subject to direct or indirect ownership or control by one or more existing communications common carriers;

"(5) adequate capitalization is provided for the establishment and operation of the communications satellite system until such time as its revenues will assure the profitable operation thereof without governmental assistance.

"(c) Such plan shall contain such other provisions as the President may deem appropriate to provide for the establishment as expeditiously as practicable of a commercial communications satellite system, as a part of a global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding."

On page 20, line 12, after the word "needs" insert "for impartial and complete information"; and after the word "objectives" in the same line insert the following: "of an informed electorate and the success of the private, competitive economic system".

On page 30, line 25, immediately after the words "shall be", insert the following: "organized under the District of Columbia Business Corporation Act. It shall be".

On page 32, line 20, immediately following the period, insert the following: "Compensation of the directors, the president, and all other officers of the corporation shall be fixed at levels which shall have been determined by the Commission to be reasonable, but in no case shall such compensation be in excess of $35,000 per annum. It shall be unlawful for the corporation to adopt any stock option plan or similar plan of compensation for directors, officers, or other employees of the corporation. Any pension plan or retirement plan for directors and/or officers of the corporation shall be subject to approval by the Commission, and shall be fixed at levels determined to be reasonable in view of the compensation paid by the corporation to the individuals covered and the term of employment of such individuals with the corporation."

On page 38, following line 14, insert the following and renumber the succeeding sections accordingly:

"SEC. 403. The Communications Act of 1934, as amended, is amended as follows:

"(1) paragraph (2) of subsection (c) of section 222 of said Act is hereby repealed.

"(2) Notwithstanding any provision, in any consolidation or merger of domestic telegraph carriers heretofore approved by the Federal Communications Commission pursuant to said section 222 for the divestment of the international telegraph operations theretofore carried on by any party to the consolidation or merger and notwithstanding any order heretofore made by said Commission with respect to such divestment the consolidated or merged carrier resulting from any such consolidation or merger shall not be under any requirement for the divestment of its international telegraph operations."

Mr. LONG of Louisiana. Mr. President, I have a number of other amendments at the desk. They are printed and are at the desk. I believe, perhaps, there are two or three. I have two in my hand.

I ask unanimous consent that those amendments may be considered as read.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana?

The Chair hears none; and, without objection, the amendments will be considered as read.

The amendments are as follows:

Strike out all after the enacting clause, and insert in lieu thereof the following: "That (a) the President is authorized and requested to transmit to the Congress at the earliest practicable time a proposed plan, consistent with the provisions of this Act, for the creation of a corporation to establish and operate, in cooperation with Government agencies, a commercial worldwide communications system using communications satellites in space and related terrestrial installations.

"(b) Such plan shall contain appropriate provisions to insure that—

"(1) the corporation so established shall be privately owned;

"(2) the stock thereof shall be issued in such manner as to encourage the widest distribution to the American public;

"(3) such satellite communications system would be competitive with, and not merely supplemental to, existing systems of terrestrial communications;

"(4) such system could not become subject to direct or indirect ownership or control by one or more existing communications common carriers;

"(5) adequate capitalization is provided for the establishment and operation of the communications satellite system until such time as its revenues will assure the profitable operation thereof without governmental assistance.

"(c) Such plan shall contain such other provisions as the President may deem appropriate to provide for the establishment as expeditiously as practicable of a commercial communications satellite system, as a part of a global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding."

On page 33, line 11, after the word "person", insert the following: *"Provided, however,* That Congress expressly reserves the right to direct the Commission to require any communications common carrier to divest itself of part of all of its voting stock in the corporation in an amount determined by Congress, such direction and determination, if any, to be made subsequent to review by Congress of the report by the Commission authorized and directed by title V of this Act."

On page 40, following line 14, insert the following:

"TITLE V—FEDERAL COMMUNICATIONS COMMISSION'S INVESTIGATION OF THE COMMUNICATIONS INDUSTRY

"SEC. 501. It is necessary, in aid of legislation by the Congress and for the use of governmental agencies, particularly with respect to space satellite communications and other rapidly advancing areas of communication technology; for the information of the general public; as an aid in providing more effective rate regulation; and for other purposes in the public interest; that accurate and comprehensive information be procured and compiled regarding both the domestic and international operations of American Telephone and Telegraph Company and other communication common carriers.

"SEC. 502. The Federal Communications Commission is hereby authorized and directed to investigate and report to the Congress no later than January 20, 1964, on the following matters with respect to the American Telephone and Telegraph Company and other communication common carriers, including all of their subsidiary, affiliated, associated, and holding companies, and any other companies in which any of them have any direct or indirect financial interest, or which have any such interest in them, or in which any of their officers or directors hold any office or exert any control or whose officers or directors hold any office or exert any control in them. The report shall give particular emphasis to all aspects of the following matters which have occurred since 1939:

"(a) The corporate and financial history, and the capital structure and the relationship of such company and of its subsidiary, affiliated, associated, and holding companies, including the determination of whether or not such structure may enable them to evade regulation or taxation, or to conceal, pyramid, or absorb profits, or to do any other act contrary to the public interest.

"(b) The extent and character of intercompany service contracts and all transactions between communications common carriers and their subsidiaries, affiliated, associated, or holding companies, and particularly between the American Telephone and Telegraph Company and the Western Electric Company and other manufacturers of electrical communication equipment; the cost of and sale prices of equipment, material, or devices to operating companies or users; the profits upon such sales and the effect of such sales upon the rates or upon the rate base of operating companies when used as a basis for charges; and the probable savings to operating companies and the public by purchasing equipment under a system of competitive bidding.

"(c) The reasonableness of rates and charges; and, the extent to which subscribers or users of communications services have borne the cost of research and development, including but not limited to the maintenance and support of Bell Telephone Laboratories, Incorporated.

"(d) The effect of monopolistic control upon the reasonableness of rates and charges, upon competition in the communications industry, and upon the character of services rendered, and any unfair or discriminatory practices.

"(e) The effect of mergers, consolidations, and acquisitions of control in the communications industry, including the determination of whether there has been any 'writeup' in the purchase price of property, equipment, or intangibles, the fairness of the terms and conditions of any merger, consolidation, or acquisition, and the public interest therein, and the effect thereof upon rates or service.

"(f) The accounting methods of the communications common carriers, particularly with reference to depreciation and reserve accounting, apportionment of investment, revenues, and expenses between State and interstate operations, employee pension funds, executive compensation, and valuation of properties for both rate and tax purposes.

"(g) The methods of competition by communications common carriers amongst themselves and with other companies including the determination of whether or not there has been any sale or refusal to buy from or sell to competing companies, or suppression of patents, and the expansion of communications common carrier companies into various fields.

"(h) Whether or not the communications common carriers have sought through propaganda or the expenditure of money or the control of channels of publicity to influence or control public opinion, legislative or administrative action, or elections.

"(i) All other matters in any way bearing on the reasonableness of rates and charges, quality of service, the extent of concentration, and competition in the communications industry.

"SEC. 503. As used in the resolution the term 'communications common carrier' shall include all subsidiary, affiliated, associated, and holding companies or corporations and all companies directly or indirectly associated or connected with telephone companies, either by direct or indirect stock ownership, interlocking directorates, voting trusts,

holding or investment companies, or any other direct or indirect means.

"SEC. 504. For the purposes of this resolution the Federal Communications Commission is hereby authorized to hold hearings; to contract for stenographic reporting service; to utilize its regular personnel, facilities, jurisdiction, and powers insofar as practicable; and to employ for the purposes of this investigation such additional experts, including engineering, accounting, legal, and other assistants as may be found necessary, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States; and to make such other expenditures, including necessary travel expenses, and expenditures for printing and binding, as it deems necessary. The Commission is also hereby authorized to have access to, upon demand, for the purposes of examination, and the right to copy, any books, papers, correspondence, memorandums, and other records of any person, partnership, company, or other organization being investigated, whether such books, papers, correspondence, memorandums, or records are in the possession of the company under investigation or are in the possession of other persons, firms, or corporations; to require by subpena the attendance and testimony of witnesses and the production of books, papers, correspondence, memorandums. and other records which the Commission deems relevant or material to the inquiry, at any designated place of hearing within the United States; to administer oaths and affirmations, to require persons, partnerships, companies, or other organizations to submit to the Commission in writing reports and answers to specific questions furnishing such information as the Commission may require relative to the inquiry Such reports and answers shall be made under oath or otherwise as the Commission may prescribe and shall be filed with the Commission within such reasonable period as the Commission may prescribe, unless additional time be granted in any case by the Commission. In case of contumacy or the refusal to obey any subpena or other order issued hereunder, the Commission may invoke the aid of any court of the United States, within the jurisdiction of which such inquiry is carried on, or where such party guilty of contumacy or refusal to obey resides or has his place of business, in requiring obedience to such subpena or other order and any such court of the United States shall have jurisdiction to issue its order enforcing such subpena or other order of the Commission in whole or in part; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in such cases may be served wherever the defendant may be found.

"SEC. 505. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,265,900, to be made immediately available to the Federal Communications Commission for the purposes of the investigation and report herein authorized and directed, and the Commission shall make reports to Congress on its progress and its findings in this investigation."

Mr. YARBOROUGH. Mr. President, will the distinguished Senator from Louisiana yield to me so that I may make a unanimous-consent request?

Mr. LONG of Louisiana. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas [Mr. YARBOROUGH] is recognized.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the six amendments I sent to the desk on June 15 may be considered as read, that the reading of the amendments may be dispensed with, and that they may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The amendments are as follows:

On page 38, strike out lines 3 through 14 and insert in lieu thereof the following:

"CONDUCT OF FOREIGN NEGOTIATIONS

"SEC. 402. The corporation shall not enter into negotiations with any international agency, foreign government, or entity, without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements with any such agency, government, or entity shall be subject to the approval of the Department of State."

On page 35, line 3, strike out "20" and insert in lieu thereof "5".

On page 35, line 6, strike out "authorized".

On page 33, line 6, strike out "initially offered".

On page 33, line 8, strike out the period and insert in lieu thereof "and among the communications common carriers.".

On page 31, lines 2 through 4, strike out the sentence beginning with "The" and ending with "reserved."

On page 29, strike out lines 9 through 19, and insert in lieu thereof the following:

"(7) grant appropriate authorization to the corporation for the construction and operation of each satellite terminal station. No satellite terminal shall be owned or operated by any corporation, partnership, firm, or entity other than the corporation."

On page 30, lines 6 and 13, strike out "or carriers".

On page 26, lines 10 and 11, strike out "cooperate with the corporation in research and development".

On page 26, strike out lines 10 through 12 and insert in lieu thereof the following:

"(2) to the extent deemed appropriate by the Administration in the public interest, cooperate with the corporation in research and development and require the corporation to engage in research and development on behalf of the United States in return for which the corporation shall receive reasonable reimbursement;".

Mr. YARBOROUGH. Mr. President, I should like to have the attention of the distinguished Senator from Louisiana for a minute.

In connection with the colloquy between the distinguished Senator from Louisiana and the distinguished junior Senator from Tennessee earlier, I understood there was read into the RECORD a resolution of the Western States Democratic Conference, of the 13 Western States, which has been meeting in the West, opposing the bill.

Mr. LONG of Louisiana. Mr. President, if the Senator will yield for a question, might I suggest that what was read into the RECORD was a brief note from the ticker to the effect that the Senator has stated. The resolution itself was not read.

Mr. YARBOROUGH. I thank the distinguished Senator from Louisiana.

I believe the Senator would be interested in knowing that his efforts have not gone unnoticed in this country. I hold in my hand a copy of a resolution I received today in my office from the steering committee of the Westwood Democratic Club of Beverly Hills, Los Angeles, Calif.:

AUGUST 2, 1962.

At a meeting held August 1, 1962, of the steering committee of the Westwood Democratic Club, the following resolution was adopted:

"We, the steering committee of the Westwood Democratic Club, wish to commend the public-spirited Senators who are conducting a principled fight for public control of the space communications program."

JAMES O. PALMER,
President, Westwood Democratic Club, Los Angeles, Calif.

(Copies of resolution sent to: President John Kennedy; Mr. Tom Carvey, president, California Democratic Council; Senators Kefauver, Morse, Neuberger, Gore, Long, Clark, Yarborough, Burdick, and Senate Majority Leader Mansfield.)

Though the next letter comes a distance far from my home, more than 1,000 miles, I wish to state that I have received many other communications. I think they are meant for all of the group of other Senators who are opposing this monopolistic giveaway. I read the letter:

AUGUST 7, 1962.

Senator YARBOROUGH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR YARBOROUGH: Please accept my congratulations on the stand you took against the giveaway of our satellite communications system to the A.T. & T.

Keep up the good work.

Sincerely,

ERNEST TUTT.

WEST CORINA, CALIF.

I received another letter dated August 4, 1962, from Berkeley, Calif. I am from Texas. People over the country thousands of miles away know of the fight. I have before me a mere sampling of the messages. Since the main burden of the debate has been carried by the two Senators from Tennessee [Mr. KEFAUVER and Mr. GORE], the junior Senator from Louisiana [Mr. LONG], and the senior Senator from Oregon [Mr. MORSE], I wanted them to have the benefit of those messages, too.

The letter from Berkeley, Calif., reads as follows:

AUGUST 4, 1962.

MY DEAR SENATOR YARBOROUGH: From what I can glean from the Berkeley Daily Gazette (which is very little in the way of genuine news) I believe that you are opposed to the communications satellite bill because it would turn over to private corporations the management of space telecommunications. I fully approve of your stand, and hope that you will be able to hold out against the lobbyists.

I remember, 17 years ago, all the wonderful promises private industry made on the educational marvel of television. Since January of this year I have seen exactly two educational programs on television. When the Government turned over what should have been a public utility to private interests, that was the end of anything educational—or for that matter anything in the way of adult entertainment—in television. I consider it one of the greatest swindles of the American public in history.

I hope you will not allow the same thing to happen in the field of space communications.

Sincerely yours,

HILGER G. WALKER.

BERKELEY, CALIF.

I received another letter from California under date of July 30, 1962, as follows:

JULY 30, 1962.

DEAR SENATOR YARBOROUGH: Please continue the fight to keep the communication satellite system out of the grasping hands of A.T. & T. If A.T. & T. should gain control of this system any form of regulation would be totally impossible. It's hard enough to regulate them here on earth, what will happen when they are in the heavens. Please continue to fight for a Government-controlled system, and not the Kerr bill or the administration bill.

Respectfully yours,

JOHN D. ZAVER.

FRESNO, CALIF.

Mr. President, I take pleasure in reading a letter from my home county of Henderson in the eastern part of Texas:

AUGUST 8, 1962.

Hon. RALPH YARBOROUGH,
U.S. Senate,
Washington, D.C.

DEAR SIR: I am very much in favor of the fight you are making to keep Telestar. I feel otherwise we would be making a great mistake. Keep up the good work even though the odds seem to be against you. Because the odds are great but the action is right, I admire you very much.

I believe that we, the U.S. citizens, should own this marvelous thing and not give such tremendous wealth to corporations already much too powerful.

Thank you.

JOHNNIE M. JOHNSON.

ATHENS, TEX.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. LONG of Louisiana. Has the Senator noticed that while very few Senators have been present in the Chamber today for the debate, so far as the public is concerned, the galleries have been full almost all day?

Mr. YARBOROUGH. Yes. The Senator may be interested to learn something else in that connection. I asked two of the gentlemen on the elevators about the large number of people in the galleries. As the Senator from Louisiana knows, most of the young men who operate the elevators are students and are highly intelligent. They told me, the people here today have an inordinate interest in this subject. Most of the people who have come to the galleries today are Government employees who are opposed to this giveaway. That is why they are here.

The elevator men heard those statements on the elevator. It is a tribute to the patriotism of the employees of the U.S. Government that they would take their Saturday vacation time to come to the Senate and listen, because they are opposed to the great heritage of the people of the United States being given away to one monopoly.

Mr. President, I see the Senator from Idaho [Mr. CHURCH] is prepared to address the Chair. I shall take only 1 more minute.

I wish to read a message from Fort Worth, Tex. I am reading letters as samples from the large number of letters and telegrams I have received in support of my position. The quantity of such mail and telegrams exceeds anything in the way of approval communications I have received since I first came to the Senate. It is running 20 to 1. Generally the communications run 20 to 1 the other way. When I voted for foreign aid, the mail was about 20 to 1 against me.

But in number, it is the greatest quantity of approving messages I have received.

I next refer to a letter from Fort Worth, Tex. The writer states:

FORT WORTH, TEX., *August 7, 1962.*

Senator RALPH YARBOROUGH,
Washington, D.C.

DEAR SENATOR: This is my first word to you—

I presume he means since I have been in the Senate—

and I am tardy about it, but I have admired your stand on keeping so international a thing as space communication satellites publicly owned and operated.

Another thing, even if you and the other defenders of public interests fail I will still give you my support.

Yours with respect,

BEN O. MILLER.

These letters and telegrams show great understanding of the bill, despite the small amount of information that has been printed in the newspapers about what is involved.

I ask Senators to notice that phrase: "So international a thing as space communication satellites." The people understand. They have the intelligence to know what is at stake. If they had their way, the people would prevail.

I wish to point out another type of mail I have received. Generally, due to the issue of medical care, we have heard a great deal about doctors being opposed to progress. The opposition I get to the communications satellite bill comes from all groups of people. Every letter I have received from a medical doctor has indicated opposition to the proposed giveaway. I take my hat off for the stand of those people.

Here is a letter from Harry Fishbein, M.D.:

AUGUST 3, 1962.

DEAR SENATOR: Congratulations on your effort to protect the public in the space communications bill.

Keep up the good work.

Sincerely,

HARRY FISHBEIN, M.D.

P.S.—And I own A.T. & T. stock.

That is not the first letter I have received from a person saying, "I own A.T. & T. stock. It is good stock. I get good dividends, some tell me, but it is too much to give away space to them. I think they still can earn my dividends."

Here is another letter from a doctor in Lincoln, Nebr. He writes in part as follows:

I have followed your political career closely even though I have been out of the State of Texas for many years. I find you on the side of good legislation. Your stand on veterans' legislation is sound. Your recent remarks on the communication satellite bill which I have followed closely (CONGRESSIONAL RECORD) are good.

That is a medical doctor of keen perception who wrote me from Nebraska. He knows the issue. Let the people find out the issue and they will be with us. That is why the cloture petition was filed. The proponents are afraid that if the people find out what the issues are the outcome will be different.

Why are the proponents of the measure fearful of debate? Representatives of a television network came to the Senator from Tennessee [Mr. GORE] and another Senator—not myself—but one who has been more firmly identified with and knows the issues better than I, and those Senators agreed to debate the bill. The network agreed to 1 hour for education of the people on the issue. The Senator from Tennessee [Mr. GORE], who was too modest to say so, and the Senator from Oregon [Mr. MORSE], the exponents of the position we take, said they would accept. The representatives of the broadcasting system returned days later and said that they had hunted among the proponents of the giveaway measure but could not find two of them who would appear on television and debate the issue before the people of the United States.

I do not think they are so much afraid of debate. I think they are afraid the people might find out what is contained in the bill and what is going on.

I make that statement based on letters I have received from people I do not know. Most letters, of course, are from people in my own State, but they are also from people in California, Nebraska, and other States.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield.

Mr. LONG of Louisiana. Did I correctly understand the Senator to say that when an opportunity was accorded to all Senators who are fighting to push the bill through the Senate to appear on a nationwide television debate, with Senators who are against the horrible bill, they could not find a single Senator who would appear on television and debate the issue?

Mr. YARBOROUGH. Yes. Senators who are insisting on cloture because there is so much merit in the bill were afraid to talk before the whole American public on a nationally advertised program with 30 minutes free time. The Senator from Tennessee [Mr. GORE] and the Senator from Oregon [Mr. MORSE] could not find opponents to meet them in such a debate.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. KEFAUVER. Some of us always desire to appear on television. I am sure some of the proponents of the bill have also shared that desire. Has the Senator ever heard of Senators turning down an opportunity to appear on a nationwide television broadcast?

Mr. YARBOROUGH. In my whole life I have never heard of such a thing, particularly when only 2 Senators out of 80 Senators would be selected to sustain the position of the proponents. I point that out particularly because they would apply cloture and deny the constitutional right of other Senators to be heard.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Does it not appear strange that Senators who would apply a gag rule to the Senate do not care to be heard by the American people themselves?

Mr. YARBOROUGH. Well, I believe it pretty well illustrates why the effort is made to put into effect the gag rule. The ones responsible for it do not want this issue to be brought to the attention of the country, as this medical doctor writes to me, from Lincoln, Nebr., says. The proponents of the gag rule do not want the country to know what the issue is. This medical doctor took the time to write to me; and we all know how busy doctors are. He stated the heart of the issue when he said:

> The American people have paid the bill for the things that make this achievement possible. They should reap the maximum benefits. Most thinking American people will be with you as soon as the true nature of the issue is brought to their attention.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield for a question.

Mr. KEFAUVER. I know that the Senator is a great historian, and that he has made a study of other efforts for gigantic giveaways, even though they were not as big as this one, and he knows about the pressures that were brought against Senator La Follette and Senator Norris and Senator Shipstead and other Senators. Is this a similar situation to the fight those great Senators fought to prevent a kind of giveaway that we are subjected to here? Is this the same sort of pressure to give something away in a hurry? If so, would the Senator elaborate on that subject?

Mr. YARBOROUGH. Yes. It is an amazing thing, that in the past, when small groups of Senators, just like our small group, were opposed to some giveaway, and when Senator Norris and Senator La Follette and Senator Sherman, of Illinois, opposed the giveaway, they were joined in those efforts in the great Northwest, in Montana and in Idaho. I wish the present occupant of the chair (Mr. METCALF presiding) would join with us, because I know his heart is with us——

Mr. KEFAUVER. I am sure it is.

Mr. YARBOROUGH. The heritage of his State is with us. Burton K. Wheeler joined Bob La Follette and McNary. Unfortunately there was a Democratic-Republican coalition, something like the present coalition, and at that time it was a group of Republican Senators who poured so much contumely and reproach upon them. They were called the "sons of the wild jackass." Nevertheless the efforts of these great Senators, after filibustering for 15 years saved the TVA. That is how TVA was saved, Mr. President. They also saved the national forests. I certainly thank the Senator from Oregon [Mrs. NEUBERGER], from that great State from which Senator McNary came, for living in the tradition of that great Senator McNary. The national forests were saved in the same way.

This is the first time in my service in the Senate that I have received such an outpouring of letters on a subject like this.

Incidentally, there is another difference, too, between what is happening now and what happened then. Then the newspapers called these men obstructionists and other things. There is a difference, however, because this time, despite the snide remarks, the people are already with us. At that time it took years for the people to be with those men who fought for the interests of the people. This time the people have caught the issue. This new invention, Telstar, caught the imagination of the people, and they know about it, and they are writing to us about it. They know that the Government did most of this. The people have learned that 99 percent of all the research in space and that all the space sciences in the United States have been paid for by the people of the United States out of withholding taxes on their salaries and on their earnings and wages. They know that they have paid for this.

Of course, it has been developed by a private corporation, but that is all under Government contract, with cost-plus provisions.

We intend that private companies would build the equipment. If the bill proposed by the distinguished Senator from Tennessee for Government ownership is made law, the Government would not go into the building of the equipment. It would not go into the telephone business or into the telegraph business, or the communications business. It would put the satellite in space. It would be like the Government's relationship to the Panama Canal.

The argument has been said that the Government cannot run anything efficiently. Whoever says that is apparently forgetting about the Panama Canal. Right now, the tolls through the Panama Canal are the highest in our history. They are $60 million a year, with $4 or $5 million in net profit. Ten years ago 40 percent of all the shipping through the Panama Canal was U.S. shipping. Today foreign commerce has grown so much with all the nations of the world that only 20 percent of the tonnage through the Panama Canal is American tonnage. However, we get the tolls on 80 percent of the foreign tonnage. We have done that because we decided not to put any shackles on the development of the Panama Canal. If we continue to develop this new communications system as we developed the Panama Canal, as other nations become more literate and raise their standard of living nearer to our standard of living, the time will come when we will be paid tolls, if we put up a responsible system and not turn it over to this gigantic corporation.

It would have been just as logical in the days of the building of the Panama Canal to turn it over to a steamship line, on the theory that the United States did not know the shipping business. We are told that because A.T. & T. knows the telephone business, that we should turn over the space satellite system to A.T. & T. It would have been as logical in 1903 to turn the Panama Canal over to Moore-McCormack or some other steamship line, because, it was said, the U.S. Government does not know the shipping business, and therefore, we should give them the Panama Canal.

At that time Teddy Roosevelt was in the White House. He would not listen to that kind of argument. The Panama Canal was not turned over to a shipping company. It was turned over to the Panama Canal Company, which is an instrumentality of the U.S. Government.

I wish to illustrate further how word is getting out on this matter.

I have here a telegram from Graham, Tex. It reads:

> Keep up the good fight for ownership. All people my town stand behind you.

We never had such a unanimity of opinion on anything in the 5⅓ years that I have been in the Senate. This is the vastest thing that I have ever seen in my service here. There has been nothing to touch this in extent during my service in the Senate.

Mr. President, when Columbus discovered America the average family in England was living in a one-room house, with a dirt floor, with no windows. That is how the average family lived. His discovery had a great influence on learning and on men's minds, and it stirred the spirit of curiosity, and certainly stirred people to better their standard of living, and created a desire for a change. The standard of living is still improving.

I predict that as we continue to use space for these peaceful purposes, its influence will be greater than the discovery of America had on Europe.

I have a letter which I received from Mr. H. D. Shoup, the manager of the Western Union Telegraph Co. at Nacogdoches, Tex. He says:

> AUGUST 8, 1962.
>
> Hon. RALPH W. YARBOROUGH,
> *U.S. Senator,*
> *Washington, D.C.*
>
> DEAR SENATOR: As a longtime employee of the Western Union Telegraph Co., nearing the age of retirement and with a keen interest in the future of the company. I wish to most strongly urge you to reject the Senate bill S. 2814.
>
> As you know, this bill will eventually give the giant American Telegraph & Telephone Co. a monopoly in the coming satellite communication system.
>
> The Federal Communications Commission has already given the Bell System authority to get into the written communication telegraph business in a way that is very unfair to our company. They only take over the cream of the crop by setting up systems for the larger accounts in each community, whereas, we must make our telegraph service available to every individual and deliver to every remote section of the city. In some cases, no doubt, the delivery cost to us is more than we got out of the telegram in the first place. Since the telephone company does not have to furnish this type of service, naturally they are very unfair competition. Something should also be done about this as well as defeating Senate bill S. 2814.
>
> If us taxpayers are going to have to foot most of the bill for the satellite system, then

certainly no one individual, or company, should be given a monopoly on it.

Knowing your record and your past sincere efforts in behalf of all of us, I feel sure you will do everything you possibly can to defeat this bill.

Yours very truly,

H. D. SHOUP,
Manager.

I have received other messages of that nature from other persons who are alarmed by the squeeze which is threatened by the proposed monopoly. I ask unanimous consent that these and other messages I have received be printed at this point in the RECORD.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

MONAHANS, TEX., *August 8, 1962.*
Hon. RALPH YARBOROUGH,
U.S. Senate,
Senate Office Building,
Washington. D.C.:

Please reject Senate bill 2814, keep satellite communications system free from monopoly.

Mrs. BOBBIE MINOR.

PALESTINE, TEX., *August 8, 1962.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

Please oppose S. 2814. Giant telephone monopolistic A.T. & T. has already invaded telegraphic communications field destroying jobs.

Mr. and Mrs. H. S. LOYD.

ARLINGTON, TEX., *August 9, 1962.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

Keep up the good fight on the communications satellite bill.

Mr. and Mrs. RICHARD E. BARNES.

PARIS, TEX., *August 9, 1962.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

Please vigorously oppose Senate bill 2814. We, employees telegraph industry, don't want A.T. & T. monopoly satellite communications.

L. N. GUEST.

SAN ANGELO, TEX., *August 9, 1962.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

Senate bill 2814 is an injustice to the American taxpayer.

Mrs. DELORES ADAMS.

MCKINNEY, TEX., *August 8, 1962.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

I urge you to reject Senate bill 2814, it would give a monopoly.

T. J. HOLLOWAY.

PLAINVIEW, TEX., *August 8, 1962.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

Will appreciate your opposing Senate bill 2814. If passed will give too much domination by A.T. & T.

EDDIE WILCOX.

CORSICANA, TEX., *August 8, 1962.*
Senator RALPH YARBOROUGH,
Senate Building, Washington, D.C.:

Strongly urge your vote, influence against S. 2814 communications satellite system. A.T. & T. is too monopolistic now.

E. W. GRUSCHOW.

DEL RIO, TEX., *August 8, 1962.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

Senate bill 2814 should be rejected; in present form it gives A.T. & T. a monopoly.

A. O. GEORGE.

AMARILLO, TEX., *August 9, 1962.*
Senator RALPH YARBOROUGH,
Washington, D.C.:

Please reject Senate bill 2814 in the interest of all free Americans.

JUANITA SADLER,
President, Commercial Telegraphers Union Local 10, Western Union Telegraph Co.

Mr. YARBOROUGH. Mr. President, without taking the time to read them all, I shall give a sampling of a number of messages I have received. I shall take only 2 or 3 minutes.

Here is one from Odessa, Tex.:

Respectfully urge you reject Senate bill S. 2814 and keep satellite communications free from monopoly.

C. S. BRIGGS.

Here is one from Port Arthur, Tex.:

Deepest thanks. Continue good fight to keep space satellite for U.S. public who bought it.

SAMUEL SCHIFFER.

Here is one dated August 10, from Fort Worth, Tex.:

We strongly support your courageous stand on the Telstar issue. We always knew you are on the side of the people, and our pride in your fine record continues.

With warm best wishes,

CHARLES and JAMES MURPHY.

Mr. President, the people are waking up. A cloture motion has been filed despite the fact that the bill has not been thoroughly debated. On our side, at least five Senators have not spoken a word on the bill. No Senator on our side of the question has yet delivered two speeches. Cloture motions have been filed before, but they were filed after Senators who were in the minority had each spoken a day or two. We have not had sufficient time to present our case. We who are opposed to the bill have not had time to make speeches.

The light as to what is at stake is just beginning to reach 180 million people.

The communications I have read are representative of the awakening that is taking place throughout the country. I have been receiving messages from west of the Mississippi. The people in that area of the country are being stirred up. I hope we shall have an opportunity to debate the bill until the country learns what is actually at stake.

Mr. CHURCH. Mr. President, for myself and on behalf of the distinguished senior Senator from Ohio [Mr. LAUSCHE], I send to the desk an amendment to the bill and ask that it be read and printed in the regular manner, and lie on the table.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 25, line 26, immediately after the word "needs," it is proposed to insert the following: "or if otherwise required in the national interest."

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. CHURCH. Mr. President, the purpose of the amendment is to make the operative language of the bill itself conform with one of its most important declared purposes. Under the declaration of policy and purpose of the bill, section 102(d) reads:

(d) It is not the intent of Congress by this Act to preclude the use of the communications satellite system for domestic communication services where consistent with the provisions of this Act nor to preclude the creation of additional communications satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest.

The wisdom of this last clause "or if otherwise required in the national interest" is perfectly apparent. We cannot now foretell how well the corporate instrumentality established by this act will serve the needs of our people. If it should develop that the rates charged are too high, or the service too limited, so that the system is failing to extend to the American people the maximum benefits of the new technology, or if the Government's use of the system for, say, Voice of America broadcasts to certain other parts of the world, proves to be excessively expensive for our taxpayers, then certainly this enabling legislation should not preclude the establishment of alternative systems, whether under private or public management. And just as certainly is that gateway meant to be kept open, in case we should ever need to use it, by the language to be found in the bill's declaration of policy and purpose to which I have referred.

However, when it comes to the operative language of the bill itself, the all-important phrase "or if otherwise required in the national interest" has been left out. The pertinent part of the bill, section 201(a)(6), reads:

(a) the President shall—

(6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs;

It will be seen that the substantive part of the bill not only creates one monopoly, but requires the Government to use it, excepting only such Government use of a separate system as may be required to meet "unique governmental needs." All of the testimony before the Senate Foreign Relations Committee—that given by both the Secretary of State and the Secretary of Defense—bears out the fact that a very narrow definition is being given to the term "unique governmental needs." The legislative history of the bill, made before the committee, makes it clear that this term is meant to embrace only functions of a highly classified nature, extremely restricted in their scope. In effect, the gateway meant to be left open in the bill's declaration of policy and purpose is slammed almost shut in the substantive language of the bill itself.

The amendment would correct this serious defect in the bill by making the

language of section 201(a)(6) conform with the language used in the last clause of section 102(d), adding "or if otherwise required in the national interest" to the substantive provisions of the bill.

This amendment has the approval of the Secretary of State and so, I take it, of the administration.

I think the amendment is very much in the public interest. I hope the Senate will adopt it.

Mr. LAUSCHE. Mr. President, I have joined the Senator from Idaho as a sponsor of the amendment. I think the amendment is sound and ought to be adopted. If it is not adopted, the bill is likely to lead to grave confusion at a later date, in the event the Department of Defense or the U.S. Information Agency seeks to establish a communications system of its own, not to broadcast secret military information, but to present to the people of the world the true image, the good image, of America.

An examination of the bill will reveal that the declaration of policy specifically states that the passage of the bill will not preclude the creation of additional communications satellite systems if they are required to meet the unique governmental needs or if otherwise required in the national interest.

As the Senator from Idaho understands, that language is contained in the declaration of policy.

When we consider the responsibilities imposed upon the President in a very vital section of that title, the language used states that new satellite systems may be created in order to meet unique conditions. The provision is devoid of any language warranting the establishment of a governmental satellite system if the public interest requires it.

Mr. CHURCH. The Senator from Ohio is absolutely correct.

Mr. LAUSCHE. I ask this question of the Senator from Idaho: Does not our amendment contemplate placing in the substantive part of the bill the same language that is included in the declaration of policy?

Mr. CHURCH. That is the purpose of the amendment; and in so doing we make certain that the door is left open for the Government to establish an alternative system, if experience should show that the national interest requires it. This might be done for many reasons that cannot now be foretold; but the language of the bill not only would establish a single instrumentality which would own and operate the communications satellite system, but would require that the Government use that instrumentality. The Government would be deprived of the right to set up any kind of alternative system except for "unique governmental purposes."

The Senator from Ohio has well pointed out, and I have tried to do so in my introductory statement, that the testimony of the Secretary of State and the Secretary of Defense before the Committee on Foreign Relations makes it perfectly clear that the term "unique governmental need" is very narrowly confined to highly classified functions. Therefore, the bill in its present form fails to carry out the declared policy and purpose which appears in the preamble of the bill.

Mr. LAUSCHE. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I am happy to yield.

Mr. LAUSCHE. The report submitted by the Committee on Commerce, which took testimony and considered the bill, specifically states that the word "unique" applies to what would normally be secret military information being distributed around the world.

Therefore, Mr. Murrow testified that in the event the USIA decides it needs a satellite communications system to present to the people of the world the image of America, the cost to us will be $1 billion a year. So it may be advisable, for that purpose, to establish our own communications satellite system, in order to obviate such an inordinate expense. And if the amendment of the Senator from Idaho is adopted, we shall have this in reserve, to use it if we want to.

Mr. CHURCH. And we can be assured that the public interest will be fully protected if experience demonstrates that this is in the best interests of the country.

Mr. LAUSCHE. I thank the Senator from Idaho.

Mr. CHURCH. Mr. President, I am very much pleased that the Senator from Ohio joins me in submitting the amendment, and I hope the bill will be amended in this respect.

Mr. LAUSCHE. Mr. President, I send to the desk two amendments to the bill.

The ACTING PRESIDENT pro tempore. The amendments of the Senator from Ohio will be read.

Mr. LAUSCHE. Mr. President, I ask that the amendments be printed and treated as having been read.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, I send to the desk an amendment which has not previously been at the desk, and ask that the amendment be treated as read and printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, let me explain the amendment, for it is a very important one.

I think one of the defects of the bill which is fatal is that neither the President nor the Federal Communications Commission has the right to require a change from one system to another—that is to say, from a low-altitude system to a high-altitude communications system. That would be left entirely in the hands of the private corporation, which might not be in the best interests of the Nation.

This amendment gives the President the right to make that decision.

Mr. President, my brief remarks at this point will be rather technical. For some time I have wanted to analyze some of the grave inequities under various parts of the bill. I have not listed all of them. I know that not many Senators are now in the Chamber to follow a technical discussion of the bill. But I hope the Senators who are in the Chamber at this time will obtain a copy of the bill and will follow my presentation, line by line. If any statement I make is not correct, I shall be very glad to be challenged, although I believe my statements will be correct.

These technical but very important matters do not go to the philosophy of the bill, which I believe is wrong; neither do they relate to its foreign policy aspects, which have been thoroughly discussed by other Senators. But I believe the RECORD should contain my statement, so that Senators who study the bill and read the RECORD will see that the bill is very deficient, unclear, and unfair to the Government in many, many respects.

First, I turn to page 20, line 19, which deals with global coverage:

> In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed—

That is indeed an intention which has been expressed by the President and by all of us who want the developing nations to have this opportunity. It is claimed that that can be done by relying upon section 214(d) of the Federal Communications Act. But apparently that section will not be sufficient, because even with section 214(d) of the act the Federal Communications Commission has never been able to get the A.T. & T. or the telephone companies to expand their service into the rural areas of the United States where the service may not be so profitable.

As a result, rural telephone cooperatives have had to be established for the purpose of getting telephone service to those who live in the rural sections of the United States.

Second, if Senators will turn—and, also, if any members of the press have copies of the bill and will follow this presentation, I shall appreciate it very much—to page 21, line 16, they will observe that it refers to the activities of the corporation, and states that the activities "of the corporation shall be consistent with the Federal antitrust laws."

Mr. President, what is "consistent with the Federal antitrust laws"? I do not know. Before the committee, I urged that the corporation be required to be responsible under the antitrust laws, in the same way that any other corporation must be. But for some reason such a provision has been omitted; and the bill does not provide that the corporation shall be subject to the penalties of the Sherman Act, the Clayton Act, or any of the other antitrust laws which apply to all other corporations. So the apparent intent here is not to bring this corporation under the antitrust laws—although I feel it is absolutely necessary that the corporation be brought under them if we are to have protection against further expansion of monopoly and if there is to be protection for small suppliers of hardware who might wish to produce electrical equipment or whatnot for the corporation.

Third, on page 21, we find this:

> (d) It is not the intent of Congress by this Act to preclude the use of the communications satellite system for domestic

communication services where consistent with the provisions of this Act.

Mr. President, this provision, together with the history, shows what the Senator from Louisiana was saying—namely, that it is the intention of the corporation and of A.T. & T.—and it finds expression in the hearings and in this vague language—that the people of the United States not have the cheaper rates which will be possible between New York and Los Angeles or San Francisco by virtue of having satellites used—rates which would be very much cheaper than the rates for sending messages from one relay station to another.

Instead of this language, the bill should state that the intent is to encourage the domestic use, so that we can have lower telephone rates and lower rates for the transmission of radio and television programs and lower rates to send messages to Hawaii, Alaska, and other parts of the United States.

The fourth point relates to what the distinguished Senator from Idaho [Mr. CHURCH] and the distinguished Senator from Ohio [Mr. LAUSCHE] have been discussing. At the bottom of page 21, line 22, it is provided, in effect, that the Government shall not have any other system unless it is "required to meet unique governmental needs." As Senators have said, the interpretation of that language, in the hearings and the reports, is that it applies only to secret messages, usually coded. Suppose the Government had another system for its "unique governmental needs," coded messages, secret, military, and had other channels which Ed Murrow and the USIA could use to send messages to all parts of the world. This language would make it impossible for the Government to use it as an instrument of foreign policy to enable people to know the United States, and bring all peoples closer together.

I turn now to page 22, line 6:

The term "communications satellite system" refers to a system of communications satellites.

Then, beginning on line 14, on the same page, it states—

the term "satellite terminal station" refers to a complex of communication equipment located on the earth's surface—

That is, ground stations.

So this language, together with the language on page 29, line 9, providing that either the satellite corporation or one or more authorized carriers may own ground stations, means that it is anticipated in the bill, and will undoubtedly be the case, that A.T. & T. will have its own ground stations, which will be the funnel through which messages will have to come and go; or it may be the I.T. & T. This arrangement would give them the key to control over rates or charges.

It was anticipated in the President's bill that the ground stations be owned by the corporation, so that they would be under the jurisdiction of the provisions of the act and the jurisdiction, to some extent, of the President and the Federal Communications Commission. But the satellites have been very cleverly separated from the ground stations.

I have pointed out, on page 29, line 9, it is made clear that one or more carriers can own the ground stations. Of course, the corporation will not own a communications system unless it owns the ground stations too. So the ground stations are left in the hands of private corporations.

The President is asking the people of the United States to invest money in this corporation, but if the ground stations are to go to the carriers, it will probably be difficult for the corporation to make enough money to pay back the investment the people may make.

I turn now to page 25 of the bill. Here is something that is very important and unprecedented in the history of our Nation. I refer to subsection (6), line 21. This is what the President is required to do:

Take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes.

And so forth.

In other words, the President works for the monopoly. The President and the Government cannot use their own system to send their own messages. The President must work for the monopoly, without any reciprocal work of the monopoly corporation being done for the President.

Let us go to page 26——

Mr. LAUSCHE. Mr. President, will the Senator yield without losing the floor?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator yield?

Mr. KEFAUVER. I yield.

Mr. LAUSCHE. The amendment of the Senator from Idaho and the Senator from Ohio applies to subparagraph (6) of section 201. In this section there has been omitted the language which is in the declaration of policy, that the satellite communications system may be established to meet unique governmental needs, and, as stated in the declaration of policy, to meet the needs of the public interest. In this paragraph the public interest is not mentioned.

Mr. KEFAUVER. It was very cleverly left out, and for a good purpose. What is desired is a continuing subsidy to the corporation. The President is to work for the corporation, so that, in the unique situation, if the Government establishes a system, it will not be used. Business is to be channeled through the commercial system probably at the same rates anyone else pays. That is a continuing subsidy even after the first giveaway to the communications carrier.

Mr. LAUSCHE. I thank the Senator.

Mr. KEFAUVER. I thank the Senator for his observation.

I turn now to page 26. I hope any Senator following the bill will look at page 26 for a moment. The President is also required to "exercise his authority so as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad."

What does that mean? In my opinion, it means that the President shall be required to use the influence of the Presidency in behalf of a low-orbit system, which is to be compatible with existing communications facilities. The existing communications facilities, as of now and in the future, include the ground stations that A.T. & T. has at Andover, Maine, and the satellite which is going around the earth. So the President would be charged by law with making any further system compatible with existing facilities. They would tie us down irrevocably to a low-orbit system. In that connection, we should also look at page 28, line 20, wherein the Federal Communications Commission has to do something in that connection:

Insure that facilities of the communications satellite system and satellite terminal stations are technically compatible and interconnected operationally with each other and with existing communications facilities.

Not only would the responsibility be put on the President, but also his hands would be tied to work with what A.T. & T. has. Also it would be made mandatory that the Federal Communications Commission work to assure compatability with what A.T. & T. has.

That is not right, Mr. President.

I ask Senators to look at page 26 of the bill. It refers to the National Aeronautics and Space Administration. It says that Administration shall "cooperate with the corporation in research and development to the extent deemed appropriate by the Administration in the public interest."

That is all one sided. NASA would be required to cooperate with the corporation in research and development, but there is no reciprocal requirement that the corporation cooperate with or give any assistance to NASA. It would be a one-way street.

I ask Senators to look again at page 26, near the bottom, subsection (5) which says that NASA shall "furnish to the corporation, on request and on a reimbursable basis, satellite launching and associated services required for the establishment, operation, and maintenance of the communications satellite system approved by the Commission."

If the corporation should start with the low-orbit system, NASA would have no discretion, but would have to cooperate and furnish boosters when the corporation wanted them, no matter how many that might be, and no matter what kind of adverse effect there might be on our space program. Boosters might be needed for that. Boosters might be needed for war or defense purposes. We are asked to write into law such a provision, no matter what the situation might be, no matter what great national emergency we might face. Regardless of the situation, NASA would have to furnish the corporation the boosters whenever the corporation called for them.

I ask Senators to look at page 27, line 11, in reference to insuring effective competition. The bill provides that the Federal Communications Commission shall "insure effective competition, including the use of competitive bidding where appropriate, in the procurement."

And so forth.

Under that language A.T. & T. or RCA could write its specifications so that only

its own manufacturing company could meet the specifications.

For a long time the Federal Communications Commission has had the power to require competitive bidding, but practically all the hardware that A.T. & T. buys comes from Western Electric, and is manufactured by them. Of course, Western Electric has made good profits.

Mr. President, it is no wonder that the Senator from Alabama [Mr. SPARKMAN], chairman of the Select Committee on Small Business of the Senate, is worried about this section, because small manufacturers would not have a look-in. The big companies could write the satellite corporation's equipment specifications so that only their own suppliers would be able to meet them.

I ask Senators to take another look at page 27, where it is provided:

> The Commission shall consult with the Small Business Administration.

Mr. Horn, the Administrator of the Small Business Administration, wanted very much stronger language. He wanted it to provide that they shall follow the policy of the Small Business Administration.

The language does not provide that they shall follow the SBA advice, but says that all they would have to do is consult with the Small Business Administration. Then they could do anything they wished to do.

I ask Senators to turn to page 29 of the bill. This language deals with what the Federal Communications Commission has to do. On line 5 of page 29 it is stated that the Federal Communications Commission shall "approve technical characteristics of the operational communications satellite system."

The legislative history shows that this language would not give the Federal Communications Commission the power to require a change from a low-orbit to a high-orbit system, or a change to any other system, so that we could be sure to have the best system in the world. The Federal Communications Commission witnesses themselves testified that this language would not give them the power to require such a change.

That is the purpose to be served by the last amendment I sent to the desk. I feel that the President of the United States, or certainly the Federal Communications Commission or some department of the Government, ought to have a voice in deciding what kind of system we shall have, so that America will not be second or third in this race. We cannot leave that decision to a private corporation.

The purpose of a private corporation is to make money. That is well and good, but the Government may have an interest in an international system. The Government may have an interest in getting messages to other parts of the world, to the developing nations of the world. That decision cannot be left solely to a private corporation.

I ask Senators to turn to page 31 of the bill. We know that the President would appoint three of the directors, but there is one point which has not been brought out in this debate. The corporation is to act under the District of Columbia Business Corporation Act. The three directors the President would appoint would be fiduciaries, under corporation law, but not with respect to the President or the people of the United States. They would not have to even report to the President. They would have no responsibility to him. Under the District of Columbia corporation law they would have to work for the corporation, and they would have to do what was good for the corporation, not for the country, and not what the President wanted. They would not be responsible to the President in any manner whatsoever. No reports to the President would be required. Under the District of Columbia Business Corporation Act there is provision for a dissolution or merger of a corporation. Under the act the new corporation might be able to merge with A.T. & T. or I.T. & T. by a vote of its stockholders. There are no provisions to prevent those things.

There is nothing in the report about what might be done by the directors under the District of Columbia Business Corporation Act. I do not know why the District of Columbia Business Corporation Act was selected in the first place. There is a Corporation Act of California, of Alabama, and of Tennessee. Many States give more protection to the rights of stockholders than does the District of Columbia Business Corporation Act.

Under the District of Columbia Business Corporation Act could the directors meet and dissolve the corporation? Could anyone do anything about it? Could they merge? I do not think anybody can be sure about that?

I ask Senators to look again at page 31, at section 302, which says:

> The President of the United States shall appoint incorporators, by and with the advice and consent of the Senate, who shall serve as the initial board of directors until the first annual meeting of stockholders or until their successors are elected and qualified. Such incorporators shall arrange for an initial stock offering and take whatever other actions are necessary to establish the corporation, including the filing of articles of incorporation, as approved by the President.

Mr. President, no standards whatsoever are established. The bill does not provide whether the stock must be voting stock, how much stock there shall be, or what the value shall be. There are no assurances that they will be what the President has in mind in any respect.

On page 31, lines 13 and 14, appears a provision that the President shall approve the articles of incorporation. But amendments to the articles of incorporation could completely change the system. There is no provision that the President must give approval to the amendments to the articles of incorporation.

Furthermore, much could be done under the bylaws of a corporation. There is no provision in the bill that the President would have any authority whatsoever over the contents of the bylaws of the corporation.

On page 31, at line 16, the bill speaks of directors. It provides that three directors shall be elected by the President, six by the communication carriers, and six by other stockholders.

One might think that some of the directors ought to be persons representing the public interest, or interested in foreign policy. They ought to be outstanding businessmen, of course, but some of them ought to have a particular interest in the public.

If Senators will look at page 20, of the Senate committee's report, they will see what is meant by that provision. The report does not state what qualifications the directors ought to have. Yet the Senate committee report at page 20 states as follows:

> Your committee is hopeful that, in making his choices, the President will seek fair representation from the major political parties and a good cross section of the professions and industries which will be expected to take part in the U.S. commercial communications satellite effort. For example, it is hoped there will be incorporators drawn from both large and small communications common carriers.

But it does not say anything about selecting any of the directors from the public to represent the public viewpoint.

I call attention to page 32 of the bill. I am coming to a most important subject. I invite the attention of Senators to the fact that on page 32, beginning on line 6, provision is made that the carriers may elect six directors, without any requirement for buying any minimum amount of stock. In other words, when the corporation is formed, the carriers are entitled to one-half of the stock, but they might not buy more than $100,000 worth. There is no requirement that in order to elect their six directors they must buy any particular amount of stock. The carriers might put in only 1 percent of the amount that they have been allocated, and still might be able to elect their six directors.

The House bill required a minimum amount to be paid. It required that if the carriers bought 10 or 15 percent, they could elect one director. If they bought stock in a certain amount, they could elect two, and so on. But for some strange reason, that provision has been omitted from the bill. I suppose it was done purposely. Whatever the purpose, the result is that, without putting in one-tenth of 1 percent of the money that they are supposed to invest, the common carriers could still elect their six directors.

Further, as will be seen in the first paragraph of that page, of the six directors that the carriers could select, A.T. & T., or one company, could vote for only three directors. But we know that the small companies are dependent upon the larger A.T. & T. So that provision, for substantial purposes, means that A.T. & T. would control all six directors.

Furthermore, on page 32, there is supposed to be a conflict-of-interest provision beginning on line 22. It is provided that no officer of the corporation shall receive any salary from any other source other than the corporation during the period of his employment by the corporation. But a member of the board of directors of the A.T. & T. or I.T. & T. who was not an officer could be employed

by and could even be president of the proposed corporation. A large stockholder of any of the other corporations could be an officer of the satellite corporation.

The provision ought to read:

No person holding a financial interest in any communications carrier can be an officer or director of the satellite corporation.

We know that the principal officers of a corporation are often selected from among the directors, but most of the directors are not officers of the corporation.

I turn to page 33. The point which I am about to make is most important and has not yet been brought out. It is provided that stocks should be sold to the public:

The shares of such stock initially offered shall be sold at a price not in excess of $100 for each share and in a manner to encourage the widest distribution to the American public.

The proposed corporation could offer $10,000 worth of stock in its initial issue. The public would have an opportunity to share in that. But Senators will note that the provision reads, "the *initial offering.*" It could then come along and offer any additional amount, without giving the public any opportunity to buy any of the stock whatsoever.

Only the initial offer need be sold for $100 or less. Subsequent offers could be sold at any price. We know that stock may go up in value. It might be worth more than a hundred dollars. Of course, the shares could be split and kept at a hundred dollars. However, all the talk about the public having an opportunity to buy shares of stock and at a price the public can afford applies only to the initial issue and not to any other issue.

It will be seen also that this provision applies to the initial issue of the voting stock. However, we find that the carriers would be entitled to issue nonvoting stocks, bonds, debentures, and whatever they want to issue; and the public would have no right to buy any of it.

Corporations often issue stocks of various kinds which are not voting stock. So I believe the public ought to have an opportunity of buying nonvoting stock, debentures, bonds, or whatever else might be issued by the corporation.

The satellite corporation could finance itself by issuing almost no voting stock. It could finance itself by issuing bonds and debentures in which the public would have no right of participation.

On page 33, in line 12, there is reference to who may buy carrier stock. It says "authorized carrier." That means a carrier who has been approved by the Federal Communications Commission. I do not see why some little carrier in communications in Alabama or Tennessee should be excluded. I do not see why it should not have an opportunity to buy some stock set aside, as well as A.T. & T. and the large carriers. Why should authorization by a Government agency be required for participation in the purchase of stock?

On page 34 I call attention to line 13. It is provided that with respect to stock, other than that issued to the common carriers, no corporation and no person may own more than 10 percent of such stock. What about the communications carriers? It will be seen from line 11, page 34, that any one of them may purchase stock or can own stock up to 50 percent of the shares issued and outstanding, or all the stock reserved to the carriers. Why do we make that distinction and discrimination with respect to who may buy the public share of the stock, with carrier ownership allowed up to 50 percent in one case and not more than 10 percent in another case?

On page 34, at line 17, the corporation is authorized to issue, in addition to the stock authorized by subsection (a) of that section—subsection (a) applies to the voting stock—nonvoting securities, bonds, debentures, and other securities. As to those, there is no limit on how much any carrier may own.

A.T. & T. could own all the bonds and debentures and nonvoting securities, or any of the other communications carriers could own them without any limit whatever. We know that ownership of even nonvoting stock and debentures and bonds has a great deal of influence on any corporation.

So voting stock is not necessary in order to finance the corporation. It could be financed with bonds, for example, which the public would not have a right to buy.

There is a very good reason for this provision being written this way. I am sure the communications carriers worked very hard to get this language into the bill. Let us take a look at line 24, on page 34, where it is provided that the voting stock may not be included in the rate base of the carrier. However, the bonds, debentures, and nonvoting stock are all subject to being included in the rate base of the carrier. What does that mean? It means that there would be a double return from the very beginning. The corporation would have a return on the interest on its bonds, or the dividends on its nonvoting stock; and at the same time the amount it invested would be put into the rate base. In that way it would have a return from the users of the telephone service domestically and internationally.

Let me make that clear. A.T. & T. could finance any satellite system by charging it against the domestic users of telephones as well as international users, by putting it in the rate base; and at the same time it would have a double return, for at the same time it would be getting 5 or 6 percent, or whatever it earns on its bonds or nonvoting stock. It could not lose in this game.

This is a three-part giveaway. The first part is that the bill proposes that the corporation be given this valuable asset without any compensation to the Government whatever. The second part of the giveaway is that the President and the Government are expected to channel all of the Government's business through the satellite system probably at the same commercial rates that everyone else pays. That is a tremendous business. The Government's business itself would be enough to make this profitable.

The third part is that by way of the bonds and nonvoting stock and debentures, the corporation would get a double return; so domestic as well as international users of telephone and radio and television would be paying for whatever the communications system has.

Now let us look at page 35, subsection (e), at line 10. The bill eases the requirement of section 45(b) of the District of Columbia Business Corporation Act. That means that a stockholder would have the right to inspect the books of the corporation. The important thing is that the stockholder ought to have a right to get a statement of the affairs of the corporation. Section 45(d) of the District of Columbia Corporation Act relates to a statement of the affairs of the corporation. This is what the stockholder should be able to get. For some reason or other that provision was left out. Therefore he cannot readily get a statement of the affairs of the corporation.

On page 35, I wish to call attention to another matter. The Federal Communications Commission could require one corporation to transfer communications carrier stock to another. It is said that the purpose was that if a new carrier should come into the picture, it should be made possible for it to get some stock. However, the bill does not so provide. I urged in the Commerce Committee that we add language to show that this section was for the purpose of enabling a small carrier to obtain stock. That was not included. So this language provides that if the FCC finds that it wants A.T. & T. to have all the stock, it can require any of the other communications carriers to transfer its stock to A.T. & T.

In my opinion, the bill should not be passed with this section in it. It is unfair to smaller companies. It may be that the draftsman of this section had a good purpose in mind, but it was not carried out in the writing of the bill.

On page 37, the bill authorizes users, including the United States, to make contracts for service. That is the part of the bill which Mr. Murrow, Senator Gore, Senator Morse, and, I think, Senator Church, and perhaps other Senators, tried to have amended in the Committee on Foreign Relations. It is this provision which should be amended to allow the Government to get preferred treatment or reduced rates. Under this section as it now stands, the Government would probably have to pay exactly the same rate as any commercial user. We know that the Federal Communications Commission is opposed to preferential rates for the Government; but, as Mr. Murrow has said, the Government ought to get something in return for the investment which the taxpayers have made. However, the section I have just read does not provide for that.

Next I refer to page 38, line 12. This is language which the amendment offered by my distinguished colleague from Tennessee [Mr. GORE] attempts to correct:

The corporation may request the Department of State to assist in the negotiations,

and that Department shall render such assistance as may be appropriate.

The Department has no alternative; it must assist. It has been said that this language applies to business negotiations. The language at the top of the page, in lines 4 and 5, reads:

Whenever the corporation shall enter into business negotiations.

What is not decided, what is unclear, and one of the things which is harmful, is: Who is to decide what are strictly business negotiations as against a negotiation which might be invested with a public purpose or with international affairs? Under this language, the corporation would make the decision. The corporation would decide whether it was business or international affairs.

Unless the decision were made that the question was one of foreign affairs, the corporation would proceed with the negotiations, even though the subject might involve foreign policy and international affairs.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. GORE. If the Senator will read section 402 very carefully, he will notice, both in the caption and in the section, that the requirement to notify the Department of State about the negotiations is confined to business negotiations. Is not that correct?

Mr KEFAUVER. That is correct.

Mr. GORE. Can the Senator find anywhere in the bill any restriction which would prevent the corporation not only from negotiating but also from entering into political agreements with any nation on earth, whether those agreements be for good or for ill?

Mr. KEFAUVER. My colleague from Tennessee is absolutely correct. There is no prohibition. There is nothing in the bill to prevent the corporation from entering into political agreements anywhere in the world. It would be up to the corporation to pass judgment on whether the negotiation was purely a business negotiation or was an international political agreement.

Mr. GORE. As the Senator knows, President Kennedy sent to Congress a message in which he said that the Government would control or supervise the negotiation of international agreements. Then the President sent to Congress a draft of a bill which followed the language of the Presidential message. However, the committee struck out the language which the President had recommended and requested, and substituted the ambiguous provision to which the Senator has referred.

Mr. KEFAUVER. I do not think it is ambiguous. I think it is clear that the corporation would be in the position of conducting political or international negotiations if it wished to do so. Only when it decided that it did not want to conduct them as business negotiations or as international political affairs would it call in the State Department. But as the Senator says, there is nothing in the bill to require the corporation to do so.

Mr. GORE. One ambiguity arises from the fact that the Committee on Commerce interprets the language one way and the Committee on Aeronautical and Space Sciences interprets the provision in an entirely different way. So at least there is ambiguity in the interpretation of the provision in the committee report. However, the amendment pending before the Senate would cure that situation.

Mr. KEFAUVER. I agree that it would. It is one of the most important amendments, and certainly should be adopted.

Mr. GORE. I thank the Senator. The language which the Senator from Ohio [Mr. LAUSCHE] and I have offered—the Senator from Ohio has become a cosponsor of the amendment—would strike section 402, which is restricted to notification of business negotiations, and return to the bill the identical language which the President recommended and requested of Congress. So when the Senate votes, it will be voting on a question of preserving the primacy of the President in the conduct of negotiations and the conclusion of agreements with foreign countries.

So far as I am concerned, I have debated this question to a considerable extent and am ready to have the Senate make that very fundamental decision. If no Senator interposes a desire to speak or an objection, I shall ask for a vote on the amendment when the Senate convenes on Monday and finds itself with a quorum.

Mr. KEFAUVER. I hope the Senator will do that, because this is a most important question.

Finally, I refer to page 40, line 6, which relates to other matters which the Commission shall transmit to Congress. I read:

The Commission shall transmit to the Congress, annually and at such other times as it deems desirable, (i) a report of its activities and actions on anticompetitive practices as they apply to the communications satellite programs.

The Federal Communications Commission is not an antitrust agency. It knows nothing about that subject. It has had no experience in enforcing competitive practices or antitrust measures.

By its own admission, the Federal Communications Commission is unqualified to enforce antitrust measures. Yet the only information that Congress would get on anticompetitive practices would come from an agency which is not qualified or able in any way to make such a report. The Commission admits that that is so.

The Federal Trade Commission or the Department of Justice would be able to make such a report; but to leave it to the Federal Communications Commission would be no protection whatsoever against a violation of the antitrust laws. It would be no protection to small businessmen who would like to furnish materials and supplies to the international communications satellite system.

This should be changed, so as to put real antitrust teeth into this law—giving the Federal Trade Commission and the Antitrust Division of the Department of Justice jurisdiction, because they know what this is all about, and they have the authority.

Mr. President, the bill has many other defects. This is the first time I have had an opportunity to go through the bill page by page. I could point out many other defects. But aside from the giveaway philosophy and the other objections which we have to the bill, I wish to say it is a most one-sided bill. It gives the Government very little protection. It gives the communications carriers exactly what they want. In addition, from a technical viewpoint the bill is poorly and loosely drawn.

I think it would be a calamity for Senators to vote for the passage of this bill without the adoption of corrective amendments, such as those which have been submitted here today, in order to take care of the problems I have discussed.

Mr. President, I yield the floor.

NEWS NOTES FROM NYASALAND

During the delivery of the speech of Mr. LONG of Louisiana,

Mrs. NEUBERGER. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. LONG of Louisiana. I yield for a question.

Mrs. NEUBERGER. Will not the Senator yield for an insertion in the RECORD, as was done yesterday?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that, without prejudicing my right to the floor, I may yield to the junior Senator from Oregon for an insertion in the RECORD.

Mr. AIKEN. Mr. President, in view of the fact that the distinguished majority leader is temporarily absent from the Chamber, I shall have to object to the Senator's yielding for anything but a question until the majority leader returns, because I do not know what his decision would be in this respect.

Mrs. NEUBERGER. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. I yield for a question.

Mrs. NEUBERGER. Was the Senator from Louisiana in the Chamber yesterday when the Senator from Utah [Mr. MOSS], speaking on the satellite bill, yielded to the Senator from Maine [Mrs. SMITH], the Senator from Delaware [Mr. WILLIAMS], and the Senator from Kansas [Mr. CARLSON], for the purpose of enabling them to make insertions in the RECORD?

Mr. LONG of Louisiana. I was not here at that time; but I may say to the junior Senator from Oregon that I have not heard any Senator object to a unanimous-consent request to make insertions in the RECORD before today; but, of course, Senators always have the right to object, although I do not understand why they should object.

Mr. AIKEN. Mr. President, the acting majority leader is now in his seat. I myself have no objection to a yielding to permit a simple insertion in the

RECORD. However, I shall leave the decision to the acting majority leader.

Mr. HOLLAND. Mr. President, do I correctly understand that the distinguished Senator from Oregon simply wishes to make an insertion in the RECORD?

Mrs. NEUBERGER. The Senator is correct.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield to the Senator from Oregon on that basis.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mrs. NEUBERGER. Mr. President, on June 23 of this year I placed in the Appendix of the CONGRESSIONAL RECORD a speech by the Parliamentary Secretary of the Ministry of Justice of Nyasaland. Mr. Orton Chirwa. I have just received clippings detailing the importance attached to this act by the newspapers in Nyasaland. I think that it is most important that Americans exhibit interest in the work of able African leaders of the stature of Mr. Chirwa; therefore, I ask unanimous consent to have printed in the RECORD articles published in the Nyasaland Times and the Malawi News which reveal the significance of recognition of this type in the eyes of the people of Nyasaland.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Nyasaland Times, July 20, 1962]

READ TO U.S. CONGRESS

ZOMBA, Thursday.—Mr. Orton Chirwa, Parliamentary Secretary to the Ministry of Justice, is the first Nyasaland politician to have an extract from his speech recorded in the CONGRESSIONAL RECORD, the Hansard of the U.S. Congress.

An extract from his speech of introduction to the local courts bill during Nyasaland's April Legislative Council meeting was introduced to the Congress by Mrs. MAURINE B. NEUBERGER, one of America's two women Senators.

She described Mr. Chirwa's speech as eloquent and moving.

[From the Malawi News, July 20, 1962]

CHING'OLI MAKES HISTORY IN AMERICA

ZOMBA.—Extracts from the speech made by Mr. Orton Chirwa, Parliamentary Secretary to Nyasaland's Ministry of Justice when he introduced the local courts bill at the last sitting of LegCo have been printed in the CONGRESSIONAL RECORD, the "Hansard" of the U.S. Congress. It was introduced to the Senate by MAURINE B. NEUBERGER, one of its two women Senators.

She is a member of the Committee on Agriculture and has been active in promoting American interest in health facilities and improved agriculture for African countries.

She described Mr. Chirwa's speech as eloquent and moving. His bill, she said, envisaged the replacement of existing African courts with a new system of local courts, independent of the local law-enforcement machinery and empowered to deal equally with African and non-African alike.

She went on: The emerging state of Nyasaland thus prepares to implement two ideals to which we in the United States are very firmly committed; first, equality before the law; and second, the absolute divorcement of the judicial system from law enforcement.

Her full speech is as follows:

"Mr. President, on May 29 of this year, the brilliant young Parliamentary Secretary to the Nyasaland Ministry of Justice, Mr. Orton Chirwa, rose to address the Legislative Council of the Nyasaland Protectorate. The occasion was the introduction of legislation of profound consequences, not only for Nyasaland but for all people devoted to the growth of democratic institutions.

"Mr. Chirwa's bill envisaged the replacement of existing African courts with a new system of local courts, independent of the local law-enforcement machinery and empowered to deal equally with African and non-African alike.

"The emerging state of Nyasaland thus prepares to implement two ideals to which we in the United States are very firmly committed: first, equality before the law; and second, the absolute divorcement of the judicial system from law enforcement."

Mrs. NEUBERGER. Mr. President, these two articles and the original speech by Mr. Chirwa were called to my attention by Mr. Jay Jacobson, a former member of my staff, who is now working in Nyasaland as an adviser to the Ministry of Justice there. Every month Jay and his wife, Patricia, who was formerly secretary to Chester Bowles, prepare a "newsletter" so that they might inform their many friends of their work in Africa. I read with great interest the reports they send from Nyasaland, and would like to share with other Members of the Senate a portion of their latest report which details their work as volunteer night school instructors in English. I ask unanimous consent that that portion of the newsletter telling of their night school experience be printed at this point in the RECORD.

There being no objection, the excerpt from the news letter was ordered to be printed in the RECORD, as follows:

Our days become more busy. We have joined the staff (and comprise the English department) of Zomba Secondary Night School. Jay teaches literature and we share the grammar, punctuation, and spelling. We teach in a Government school with cut trees for beams and a corrugated iron roof. The blackboards are so pitted that it is impossible to write a two-syllable word that can be seen clearly.

There is no electricity and when the sun goes down behind Mount Zomba, we continue by kerosene lamp. The students must pay a fee of about $7 a year, with two terms a year. Though each student has a pencil, many have no writing paper and most have no books, even though the literature books cost only 50 cents. It is not unusual for four or five students to crowd around the desk of the one boy or man with a book to follow what is being taught. That we accomplish anything at all is a tribute to the enthusiasm of the students and the close attention paid in class, even though most of them have been up since before the sun and do a full day's work before coming to school.

Most students are adults, although some are youngsters who have either failed their examinations for the day school or have passed and found the next higher school too crowded to take them. All are very politically conscious and the best way to get or hold attention is to use independence, the Malawi Congress Party, or Dr. Banda as a term of reference.

The library of the school currently consists of one book—several short stories by F. Scott Fitzgerald that Tricia and I have finished reading. The students are most anxious for anything to read. The only library here is the British Consul's and that is not very good. The U.S. Information Service in Blantyre (43 miles south) has neither books to spare nor money to open up a Zomba branch. We need not tell you that anyone cleaning out his or her library would find a welcome home for old books—even if they are in poor condition. We'll even be glad to pay the freight bill, but books are needed desperately.

We have also begun to organize an experimental poultry farm here in connection with the school. The chicken for eating purposes is poor all over southern Africa—due mainly to a failure to grow the birds properly. If you care to send along advice regarding care and feeding of chickens please do.

PROSPECTS GOOD FOR EQUAL PAY FOR EQUAL WORK LEGISLATION

Mrs. NEUBERGER. Mr. President, today one-third of the labor force is feminine. In March 1961 there were 24.2 million women in the civilian labor force, of whom only 5.7 million were single. By 1970 there will be about 30 million women workers, 6 million more than in 1960. This represents a 25-percent increase or women, as compared to a 15-percent increase for men. One out of every three women is working.

All too frequently, however, women do not receive equal pay for equal work. I believe enactment of legislation providing equal pay for equal work is a matter of simple justice. Twenty-nine States, including Oregon, have laws which provide for equal pay for equal work, but it is a matter of record that oftentimes women are discriminated against, and receive less pay for the same work.

President Kennedy's Commission on the Status of Women, on which I serve, has recommended and endorsed the principle of equal pay for equal work.

Mr. President, legislation to enact the principle of equal pay for equal work has made real progress this year. The bill, H.R. 11677, passed the House of Representatives on July 25. The Senate Labor and Education Committee is giving it active consideration.

The absence of an equal pay law serves as a general depressant on wage levels. "Unequal pay for equal work" is a constant threat to male wage earners for the simple reason that employers either tend to replace men with women workers or fill newly created jobs with women.

Mr. President, the Wall Street Journal of August 10 reported the prospects good for the enactment of equal pay for equal work legislation. While the bill was weakened somewhat by the amendments adopted by the House, I am highly optimistic that a strong bill will be enacted into law this year. As Mrs. Eleanor Roosevelt, Chairman of the President's Commission on the Status of Women, testified:

The payment of lower wages to women workers for the same or comparable work as that performed by men workers is contrary to the concept of equality and justice in which we believe.

Mr. President, women make up the largest untapped source of manpower in the United States. If the emerging requirements for highly educated people

to fill important positions are to be met, business and Government must use this source more effectively. They should, of course, be rewarded monetarily on the basis of ability and performance.

Mr. President, I ask unanimous consent to include at this point in my remarks in the RECORD the article of August 10 by Thomas P. Nelson, staff reporter of the Wall Street Journal, on equal pay for equal work.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 10, 1962]

BILL TO ASSURE WOMEN EQUAL PAY ALARMS EMPLOYERS' LOBBYISTS—BUT BELATED ATTACK GIVEN SLIM CHANCE TO BLOCK PASSAGE; SENATOR TOWER COOL TO OPPONENTS

(By Thomas P. Nelson)

WASHINGTON.—The little-noticed march of American womanhood toward perhaps its greatest conquest since winning the right to vote 42 years ago is arousing belated pangs of agony among spokesmen for the Nation's employers.

The prize is new legislation to assure the ladies the same pay as men for equal work—a feminist cause with origins dating back to the fight for suffrage. As early as the 1830's, for example, women challenged male salary superiority by forming their own bargaining units, such as the United Tailoresses Society in New York and the Lady Shoe Binders of Lynn, Mass.

Now, with the help of the Kennedy administration, victory at last appears near. Proposed legislation has cleared the House and, barring a last-minute hitch, seems likely to win Senate approval. "It looks unstoppable now," a Senate Democrat judges. "I don't see how anybody can beat it."

Though they paid scant attention to the bill in the House, business groups suddenly have become quite alarmed at its potential for injecting the Federal Government into corporate dealings with employees. A hastily mobilized campaign seeks to bottle up the measure, or at least revise it, in the Senate Labor Committee. So far, however, the effort has attracted little sympathy—even from the two panel members business spokesmen regard as most understanding, conservative Republican Senators GOLDWATER, of Arizona, and TOWER, of Texas. ("They're tired of pulling business' chestnuts out of the fire in the Senate, and they're saying, 'Why didn't you try in the House?'" a colleague confides.) But the pressure promises to become more intense.

THE CHAMBER ENTERS THE TRENCHES

In the forefront of the belated campaign is the U.S. Chamber of Commerce. In a recent letter to Capitol Hill the organization placed itself foursquare "with those who would eliminate injustice and inequity wherever it may exist." But at the same time the organization declared, "We do not wish to see Federal legislation enacted which would create greater problems and bring about greater injustice."

Simplified, this appears to mean the chamber believes in chivalry but opposes the ladies' bill. "It would give the Secretary of Labor," the chamber asserted, "vast new powers over private industry with authority to investigate complaints, conduct hearings, issue orders, regulations and interpretation, and initiate legal actions to enforce complaints. Moreover, it would project Government into the job evaluation process—a prerogative traditionally reserved to management."

The chamber envisions a host of other dangers. Among them: "Another vast Federal bureaucracy" with an annual budget beginning at more than $1 million and the addition of 240 employees to Uncle Sam's payroll. The organization suggests the ladies pursue their crusade through the collective bargaining process, rather than through legislation.

GLARING INEQUITIES

On the other hand, backers of the legislation insist it's high time the Federal Government did something to correct what they claim are glaring inequities between the pay reecived by men and women performing the same jobs. They produce these figures to buttress their arguments:

In Denver a male bank teller is paid $91 for a 40-hour week; a women gets $63. A Chicago laundry clerk gets $1.58 an hour if male, $1.17 if female. In Dallas male X-ray technicians average $74.50 a week; their female counterparts are paid $66.50. A room clerk in a Kansas City hotel earns $1.30 hourly if a man, 92 cents if a woman.

Their champions contend that not only is this unfair to the ladies, but it tends to depress male wages as well. "If the wage for men is $2 an hour to pack sausages and women are hired to do the same job for $1.75, then the higher wage will be cut back sooner or later," a Butchers' Union lobbyist has testified.

Whether real or fancied, this wage discrimination has galled women almost since they first began to compete with men for jobs. But only in the 20th century did the gals begin to make headway, and then mostly at the State level. Twenty-two States now have laws on the subject—some stringent, some riddled with loopholes.

At the national level, both political parties endorsed the idea in their 1960 platforms and the principle, if not the legislation, attracted many employer groups. Still, until this year, Congress remained an impregnable bastion against the female assault.

This spring the picture changed drastically. For one thing, the chairmanship of the House Labor Committee, a traditional obstacle to equal pay legislation, passed into the hands of Representative ADAM CLAYTON POWELL, Democrat, of New York, a friend of the ladies. More importantly, the Kennedy administration threw its full weight behind the legislation.

A QUIET START

With this impetus a House labor subcommittee this spring conducted public hearings on the legislation—the first time in 12 years that it had reached even that preliminary stage in Congress. Hardly a word was spoken against the bill, though the National Association of Manufacturers—while passing up the opportunity to testify—did file a challenging statement. The House, after adopting some amendments, approved the bill late last month.

As the bill stands now, here's how it would work:

A woman worker who believed she was underpaid in relation to an equally skilled man doing equal work would swear out a complaint with the Labor Department. If the Labor Secretary found there was reasonable cause to believe a violation of the law occurred, he would file a charge with the employer. The Labor Department would investigate, and confer informally with the employer. If the Department sustained the charge and the employer refused to comply, the Department could file a civil suit in U.S. district court. If the court held the law was violated, it could enjoin the employer from further unlawful practices and order him to pay the woman employee up to twice the difference in wages owed, retroactively for up to 1 year before the charge was filed.

EMASCULATION OF BILL CHARGED

Even some of the bill's backers, however, agree the bill may be difficult to enforce. Representative DINGELL, Democrat, of Michigan, said in fact that the changes on the House floor had "substantially weakened if not emasculated" the measure. One House change substituted the word "equal" for the administration-proposed "comparable," raising some delicate legal questions. Thus, the jobs of a male shoe salesman and a woman who sells ladies' shoes in the same store may be "comparable" but are they "equal"? The House also deleted a proviso that would have prohibited an employer from equalizing pay between the sexes by lowering the salaries of male employees to the level of females.

Despite the potential enforcement obstacles, however, vote-conscious Senators would find it an extremely unpleasant task to quash the ladies' hopes at this late hour. "This is an election year; the Senators can't vote against women," says a lady legislator happily. This reasoning is reinforced by the fact that there now are more than 24 million women in the U.S. work force, one-third of the total. Women last year were the breadwinners for 4.6 million families, or 10 percent of the total.

President Kennedy's signature, of course, is a cinch. "The Kennedy administration really wants this," says a Senate Democrat. "They can build this up as a staggering social achievement." And, even the chamber of commerce recognizes that it probably missed the boat by overlooking the House hearings. "Nobody really was taking the bill very seriously," a chamber spokesman explains, "but suddenly it has become a reality."

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the statements and insertions in the RECORD made by the Senator from Oregon appear elsewhere than in the course of my remarks.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLAND. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AID TO LATIN AMERICA

Mr. PROXMIRE. Mr. President, I shall speak for only a few minutes, before the motion to take a recess until Monday is made.

A few days ago the Senator from Alaska [Mr. GRUENING] made an outstanding and significant speech on U.S. military assistance to Latin America. He pointed out that by giving military assistance to Latin America, we are encouraging arms competition between Latin American countries which can ill afford to waste their limited resources. He referred to the situation in Peru, where, on the basis of U.S. military assistance, a democratic regime—and, of course, in this case the word "democratic" is spelled with a small "d"—was overthrown.

Mr. President, few newspapers in the United States have as consistently supported foreign aid as has the Milwaukee Journal. For many years, during both Republican administrations and Democratic administrations, the Milwaukee Journal has supported foreign aid. Recently the Milwaukee Journal published an editorial supporting the position taken by the Senator from Alaska [Mr. GRUENING]. The editorial is entitled "'This Latin American Aid Truly a 'Fruitless Venture.'"

Of course, the Milwaukee Journal supports economic assistance to Latin America. But the Milwaukee Journal feels that the nearly $90 million proposed for military assistance to Latin America

in the coming year would be a very bad investment for the American people and also for the Latin Americans.

I ask unanimous consent to have the editorial printed at this point in the RECORD, Mr. President.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THIS LATIN AMERICAN AID TRULY A "FRUITLESS VENTURE"

When Peru's military forces recently seized power from civilian authorities, it was an American-built Sherman tank commanded by an American trained army colonel that smashed the gates of the presidential palace.

This was only an incident. But as Senator GRUENING, Democrat, of Alaska, pointed out on the Senate floor the other day, it was a tragically symbolic incident. It indicated the perverted use to which U.S. military equipment has been put in Latin America.

GRUENING demanded that the United States stop giving military assistance to Latin America. He called the program an unsuitable and fruitless venture whose evils far outweigh whatever benefits we hoped to achieve. It is difficult not to agree.

The program is only 10 years old, but in that time appropriations have mounted from $200,000 in fiscal 1952 to $91,600,000 in fiscal 1961. They will soon exceed half a billion dollars cumulatively.

Aid is extended in the name of hemispheric defense and to relieve our hard-pressed Latin neighbors of having to use their limited funds for military purposes. But the aid has not reduced this Nation's defense burden. Neither has it kept impoverished Latin nations from engaging in an arms race and acquiring weapons they cannot afford and in many cases do not know how to use.

Not content with a dozen American F–86 jet fighter planes of Korean war vintage, the Peruvian Air Force bought 16 more modern Hawker Hunters from Britain—even though three of the F–86's had been cracked up the first month.

Argentina has been buying planes from Britain, Italy, Canada, and Germany, in addition to receiving $4.9 million in U.S. military aid. Yet just a week ago Argentina negotiated a $500 million loan—$200 million of it from the United States—to try to put its financial house in order.

Poverty stricken Ecuador bought six Canberra bombers from Britain at an estimated $1.4 million apiece. Within days its airmen cracked up two of them. And Ecuador has received $21.7 million in military aid from the United States.

The Kennedy administration is counting on the Alliance for Progress to correct some of Latin America's economic and social problems. This program demands democratic reforms by the Latins and a dedication of their limited resources to economic development. Yet our military aid program encourages arming, drains resources, and puts weapons in the hands of the very people who have shown so often they have no interest in democratic principles.

Said Senator GRUENING: "If the Latin American governments feel they must sacrifice their precious, meager resources for the maintenance of oversized and obsolete military establishments, I say—let them. But let us not contribute to their folly from our own hard pressed Treasury, and our own mounting debt and our unfavorable balance of payments."

HARD WORK AND LONG HOURS DON'T HURT

Mr. PROXMIRE. Mr. President, earlier today reference was made to the great strain on Senators; and it was pointed out that already this year four Senators—extremely conscientious, able, and hard-working Members of the Senate—have died.

However, Mr. President, I cannot resist pointing out that at this session the burden on Senators has been less than that at any other session in a long, long time. For example, the session today is only the third or fourth Saturday session this year, and we are coming close to adjournment time; and there have been very few evening sessions this year. So I do not believe anyone can correctly claim that the session this year has had a harmful effect on the health of Senators. In fact, I believe our leadership has been more considerate of Senators than has any previous leadership over a long, long period.

Mr. President, far from shortening life, I believe that hard work and long hours, either by Senators or by anyone else, help lengthen life.

Yesterday, two very distinguished Americans, one of them 78 years old, and the other 88 years old—I refer to former President Truman and former President Hoover—met. Both of these distinguished Americans served in a position far more demanding and exacting and subject to much more tension than the position of U.S. Senator; yet they have lived and served in many important ways for many, many years.

At about the same time, two other very distinguished persons—former President Eisenhower and former Prime Minister Winston Churchill, of Great Britain—met. Mr. Churchill is crowding 90 years of age; and although former President Eisenhower once had some health problem, when he was President, he seems to be very healthy at the age of 70-plus years.

So it seems perfectly possible for persons to live very full lives and to carry very heavy responsibilities and to be subjected to great amounts of tension, without having their lives shortened because of hard work.

Therefore, Mr. President, I hope that, in the future, consideration will be given to the possibility of holding night sessions of the Senate. I believe the Senate is a most important body; but I believe that one of the great weaknesses of our system in recent years has been that there have not been very significant debates in the Senate. One of the reasons for that is that there is great pressure on Senators to demonstrate courtesy and consideration for their colleagues, and therefore not to debate some of the issues in the detail in which many Senators feel they should be debated.

I raise this point, as one Member of the Senate—although probably in a small minority on this question, as I am on many others—but I feel that in the Senate there can be more extended debate than we have had without incurring any possibility of threatening the health or the well-being of Senators.

RECESS TO MONDAY AT 10 A.M.

Mr. PROXMIRE. Mr. President, if there is no further business to come before the Senate at this time, I move—in accordance with an agreement which I understand has previously been reached—that the Senate stand in recess until Monday morning, at 10 o'clock.

The motion was agreed to; and (at 6 o'clock and 6 minutes p.m.) the Senate took a recess until Monday, August 13, 1962, at 10 o'clock a.m.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 13, 1962

The House met at 12 o'clock noon.

Rabbi Stanley B. Steinhart, of the Jericho Jewish Center, Jericho, Long Island, N.Y., offered the following prayer:

"אתה יודע רזי עולם, ותעלומות סתרי כל חי"

"Thou who knowest the mysteries of the universe and the hidden secrets of all living creations" help us to become better human beings by reckoning with Thy divine will. Guide us in our responsibilities to ourselves, our Nation, our universe, and our God. Let us ever be cognizant that Thou knowest all. Help to make our hearts serve Thee in joy. Give our friends the discernment to realize that what we do here in this august House is solely in the interest of world tranquillity and indeed benefits all. Help them to understand that what we seek is friendship and good will, not aggrandizement nor domination.

Let us always bear in mind that the prophet Micha's words are your thoughts.

"כי אם עשות משפט ואהבת חסד, והצנע לכת עם אלהיך"

"The Lord requires of man: Do justice, love mercy, and walk humbly with God."

Let us live by this utterance. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, August 9, 1962, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills, a joint resolution, and a concurrent resolution of the House of the following titles:

H.R. 2139. An act for the relief of Suraj Din;

H.R. 2176. An act for the relief of Salvatore Mortelliti;

H.R. 3127. An act for the relief of Amrik S. Warich;

H.R. 3507. An act to provide for the withdrawal and reservation for the Departments of the Air Force and the Navy of certain public lands of the United States at Luke-Williams Air Force Range, Yuma, Ariz., for defense purposes;

H.R. 3508. An act to amend the Tariff Act of 1930, as amended;

H.R. 6219. An act to permit the vessel *Bar-Ho IV* to be used in the coastwise trade;

H.R. 6456. An act to permit the tugs *John Roen, Jr.*, and *Steve W.* to be documented for use in the coastwise trade;

H.R. 7549. An act for the relief of Lewis Invisible Stitch Machine Co., Inc., now known as Lewis Sewing Machine Co.;